

Sinking fund is designed to retire 75% of debts. outstg. prior to maturity.

SECURITY—Not secured. Subordinate to all senior debt and rank pari passu with three other issues of subord. debts.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of a majority of debts. outstg.

RIGHTS ON DEFAULT—Trustee, or 25% debts. outstg. may declare principal due and payable (30 days' notice for payment of interest).

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds used for all corporate purposes.

OFFERED—(\$25,000,000) at 100 plus accrued interest (proceeds to Co. 97%) on Nov. 30, 1979 thru Bear, Stearns & Co. and associates.

PRICE RANGE— 1985 1984 1983 1982 1981
High 109 105 108½ 103½ 94½
Low 102 98½ 101½ 81½ 81½

Revolving Credit Agreement: Outstg., Dec. 31, 1985, \$151,500,000 under an agreement entered into with a group of banks and BHC, Inc.

Other Debt: Outstg., Dec. 31, 1985, \$57,000,000 14½% subordinated debentures, due 2000; issued by United Television, Inc. a majority owned company. For details, see Moody's OTC Industrial Manual.

Capital Stock: 1. **Chris-Craft Industries, Inc.**, \$1 par preferred; no par (stated value, \$21.50); AUTH.—103,900 shs.; outstanding Dec. 31, 1985, 83,000 shs.; no par (stated value \$21.50). **PREFERENCES**—Has first preference as to assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$1 annually, payable quarterly, Mar. 31, etc.

DIVIDEND RECORD—Regular dividends paid through Dec. 31, 1970; 1971, nil; July 28, 1972, \$1.50, clearing arrears. Regular dividends paid thereafter.

LIQUIDATION RIGHTS—In any liquidation, entitled to \$21.50 a sh. plus divs.

VOTING RIGHTS—Each share is entitled to 0.3 vote. If dividends on prior preferred are in arrears for 6 quarters (\$1.50 per sh.) then holders may, as a separate class, elect three additional directors for as long as such dividends remain in arrears.

Consent of 66⅔% of pfd. needed to (a) increase authorized amount of pfd., (b) issue any stock ranking prior to or on a parity with pfd., (c) voluntarily dissolve, liquidate or wind up or carry out any partial liquidation or transactions such as "spin-off" or "split-up," (d) sell, transfer or lease all or substantially all assets, (e) merger or consolidate, (f) change terms adversely.

CALLABLE—As a whole or in part on at least 30 days' notice at \$25 a sh.

PREEMPTIVE RIGHTS—None.

TRANSFER AGENT & REGISTRAR—Chase Manhattan Bank, N.A., N.Y.

PURPOSE—Issued in June 1968 in connection with merger of Baldwin-Montrose Chemical Co., Inc. into Co.

LISTED—On NYSE (Symbol: CCN Pr A); also listed on Pacific Stock Exchange.

PRICE RANGE— 1985 1984 1983 1982 1981
High 12½ 11¼ 10½ 9 10¼
Low 10½ 10¼ 8½ 6½ 6½

2. **Chris-Craft Industries, Inc.**, \$1.40 convertible preferred; no par (stated value, \$17.50);

AUTH.—360,572 shs.; outstanding, Dec. 31, 1985, 360,572 shs.; no par (stated value \$17.50).

PREFERENCES—Has preference after \$1 cum. conv. pfd. as to assets and divs.

DIVIDEND RIGHTS—Entitled to cum. divs. payable in conv. pfd. stock of a value of \$1.20 and cash of \$0.20 annually thru Mar. 1, 1973; and thereafter, cash of \$1.40 annually. Divs. payable semi-annually, Mar. 31 & Sept. 30.

DIVIDEND RECORD—Regular dividends paid through 1970; 1971, nil; 1972, \$0.3115 cash and 12.728% sh. of stk.; Feb. 28, 1973, \$0.10 cash and 0.04708 sh. stk., clearing arrears. Regular dividends paid through Sept. 30, 1973. None thereafter to Dec. 9, 1977 when \$2.10 per sh. paid. On Jan. 3, 1978 paid \$3.50 per sh. clearing arrears.

LIQUIDATION RIGHTS—In any liquidation, entitled to \$23 a sh. plus divs.

VOTING RIGHTS—Has 2.1 votes per sh. with non-cumulative voting for directors except if divs. are in arrears for 3 semi-annual payments then pfd. voting as a class may elect 2 directors.

Consent of 66⅔% of pfd. needed to (a) increase authorized amount of pfd., (b) issue prior stock or (c) change terms adversely. Consent of majority of pfd. needed to (a) create any class of stock ranking on a parity with pfd., (b) voluntarily dissolve, liquidate or wind up or carry out any partial liquidation or transaction such as "spin-off" or "split-up," (c) sell, transfer or lease all or substantially all assets, or (d) merge or consolidate.

CALLABLE—As a whole or in part on or after June 1, 1971 on at least 30 days' notice at \$40 a sh. Pfd. may be redeemed before June 1, 1971 upon redemption or elimination of all outstg. prior pfd. Pfd. may not be redeemed unless net worth of surviving corporation shall, immediately after redemption, be not less than liquidation preference of prior pfd.

CONVERTIBLE—Into com. at any time on basis of 7.29387 com. shs. for each pfd. sh. held (adj. for stk. splits and divs. through Jan. 1983). Conversion privilege protected against dilution.

PREEMPTIVE RIGHTS—None.

TRANSFER AGENT & REGISTRAR—See \$1 prior pfd. (above).

PURPOSE—Issued in June 1968 in connection with merger of Baldwin-Montrose Chemical Co., Inc. into Co.

LISTED—On NYSE (Symbol: CCN Pr B); also listed on Pacific Stock Exchange.

PRICE RANGE— 1985 1984 1983 1982 1981
High 425 234 177 141 87½
Low 312 187 142½ 76½ 67½

3. **Chris-Craft Industries, Inc.** common; par 50 cents.

AUTHORIZED—20,000,000 shs.; outstg. Dec. 31, 1985, 6,407,840 shs.; reserved for conv. of pfd., 2,773,353 shs.; reserved for options, 1,326,516 shs.; reserved for stock purchase plan, 20,000 shs.; par \$0.50.

\$1 par shares split 2-for-1 May 19, 1969; \$0.50 par shares split 3-for-1 Feb. 10, 1983.

VOTING RIGHTS—Has one vote per share subject to rights of preferred stocks.

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—

1937	1938-39	Nil	1940	\$0.70
1941	1942	\$0.15	1943	0.50
1944	1945	0.30	1946-47	0.60
1948	1949	1.60	1950	1.70
1951-53	1954	1.25	1955	1.00
1956	1957-59	Nil	1960	0.25
1961	1962-65	2	1966	0.25
1967	1968	1.00	1969	0.30
1970	1971-78	Nil	1979-82	2

\$0.50 par shs. after 3-for-1 stk split:

1983-84	1985	Nil	1986	3
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2 Paid in cash or 1/400th share of former 6% preferred.

2 Also stock dividends: 1955, 10%; 1962-66, 5% each year; 1969, \$0.25 com. stk.; 1970, \$0.30 com. stk.; 1979-80, 3%; 1981-82, 5%; 1983 and 1984, 2%.

2 20% stock dividend to Apr. 22.

TRANSFER AGENT—Morgan Guaranty Trust Co., NYC.

DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., N.Y.C.

REGISTRAR—Citibank N.A., NYC.

LISTED—On NYSE (Symbol: CCN); also listed on Pacific Stock Exchange. Unlisted trading on Midwest Stock Exchange.

PRICE RANGE— 1985 1984 1983 1982 1981
High 58¼ 35¼ 30¾ 58¼ 40
Low 33¼ 24¾ 19¼ 31¼ 26½

2 After 3-for-1 split; before, 61¼-31¼.

Debt Exchange Offer: Pursuant to exchange offers which expired in Sept. and Oct., 1972, Company issued \$766,000 of 10% subordinated debentures in exchange for \$730,000 principal amount of 7% subordinated debentures, and \$4,608,000 of 10% subordinated debentures and 153,600 shares of common stock in exchange for \$7,680,000 principal amount of 6% convertible subordinated debentures.

CHROMALLOY AMERICAN CORP.

History: Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Company has acquired a number of companies in the metal fabrication, transportation, apparel, petroleum services, farm and industrial/commercial products businesses, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1981 Industrial Manual.

In July, 1981, Company acquired Flowers Marine Group for common stock, promissory notes and cash.

In Dec. 1982, Co. sold its Newman Foundry Division, in Kendallville to Dayton Malleable, Inc. for approximately \$14,000,000.

In Jan. 1983, sold F.M.S. Transportation, Inc. and McBride's Express, Inc. to Air Meridian, Inc. of Chicago. Details were not disclosed.

Under its "divestment program," Company has sold or liquidated 60 businesses from 1978 to present. During 1981 Company has divested of the following operating units: Industrial Testing Labs, Hawk Bilt, Jefferson Construction, Servus Rubber-Vinyl Division, and Leon Ferenbach. Company has 25 additional businesses planned for disposal in the following business sectors: farm equipment, industrial/commercial products, foundries and trucking. In accordance with Accounting Principles Board Opinion No. 30, Company has reclassified these businesses as "discontinued operations" for financial reporting purposes. However, they will remain in operation until sold. The divestment program is anticipated to be substantially completed in 1983.

In Aug. 1983, Co. sold its majority interest in Laidig, Inc.

In Jan. 1984, Co. sold Schwartz Manufacturing Co. for \$4,000,000.

In May, 1986, acquired TRW Inc.'s Turbine Airfoils Division.

Business: Co. is a multi-industry business which produces and sells broad range of prod-

ucts and services through the divisions below:

Metal Fabrication: Develops and manufactures metallurgical and other metal products, manufacture, repair and coat metal and other metal components of engines. Other companies in this division overhaul turbine engines, coat coils, metal buildings, and manufacture machine tools.

Transportation: Includes one of the largest barge lines in the U.S., a fleet of tankers, intracoastal barges and has the nation's largest new and used bus manufacturing manufacturer of bus and truck supplier of bus replacement parts; which operates and provides management for city transit systems.

Apparel: Includes women's and men's apparel manufacturing and distribution; operates a chain of men's specialty and a textile manufacturing operation.

Petroleum Services: Manufactures, distributes and sells petroleum products, refined oil and gas field equipment, marine fluids and chemicals and manufactures and distributes replacement parts for pumps, valves, and other industrial equipment.

Financial Services: Engaged principally in the property-casualty insurance business in the northeastern U.S. and Canada, and real estate holding company.

Property: Co. occupies manufacturing service facilities, office and warehouse in 43 states and the District of Columbia, foreign countries and owns other substantial operating assets, principally those in its marine transportation operation.

Subsidiaries

American Transit Corp. (Mo.)
Chromalloy American Insurance Group
Sabine Towing & Transportation Co. (Del.)
Chromalloy Research & Technology
Chromalloy Computer Technology
Inland Barge
Chromalloy Textile Apparel
Chromalloy Petroleum Services

Officers

N.E. Alexander, Chmn., Pres. & Chief Officer.
W.E. Stevens, Pres. & Chief Oper. Off.
G.L. Phillips, Senior Exec. Vice-Pres.
T.G. Barnett, Exec. Vice-Pres.—Fin.
Fin. Off.
J.P. Denneen, Exec. Vice-Pres.; Gen. Counsel.
J.J. Quicke, Vice-Pres. & Contr.

Vice-Presidents

A.W. Clubb E.M. Felago
P.G. Meinz J.A. Silkwood
C.E. Self, Treas. T.J. Phelps

Directors

N.E. Alexander S.Z. Krinsky
Robert Bennett M.L. Midonick
A.L. Fergenson F.R. Sullivan
Allan Kramer G.L. Phillips

Auditors: Peat, Marwick, Mitchell & Co.
Corporate Counsel: Whitman & Esqs., N.Y.

Annual Meeting: In Apr.

No. of Stockholders: Feb. 28, 1986; pfd. common, 7,833.

No. of Employees: Dec. 31, 1985, 12,350.

Executive Office: 120 South Central, St. Louis, MO 63105. Tel.: (314) 726-9200.

Consolidated Income Account, year Dec. 31 (\$000 omitted):

	1985	1984
Net sales & revs.	873,234	865,646
Cost of sales	533,945	522,078
Cost of oper. revs.	122,408	139,944
Selling, etc., exps.	166,160	163,752
Oper. income	50,721	39,872
Other inc., net	42,477	4,009
Total	48,244	40,881
Interest exp.	28,222	34,588
Other exps.	29,500	2,403
Income taxes	4,459	2,795
Equity loss	4,491	2,795
Inc. contin. oper.	2,172	2,172
Inc. contin. oper.	2,172	2,172
Loss discontin.	2,172	2,172
Net income	2,172	2,172
Prev. retain. earns.	135,536	135,536
Common divs.	8,053	8,053
Retained earn.	192,655	192,655
Earn. com. share	290.12	290.12
Yr.-end com. shs.	15,261,000	15,261,000
On 15,261,000 (1984, 15,261,000)		
avg. shs. 2 Provision for per-		
sonal		

Has one vote per at 100

LISTED—On NYSE (Symbol: CCN Pr B); also listed on Pacific Stock Exchange.

PRICE RANGE—1984 1983 1982 1981 1980
High 234 177 141 87 81
Low 187 142 76 67 34 1/4

3. Chris-Craft Industries, Inc. common; par \$50

AUTHORIZED—20,000,000 shs.; outstg. Aug. 31, 1984, 6,402,166 shs.; reserved for conv. of pfd., 2,831,279 shs.; reserved for options, 1,535,931 shs.; reserved for stock purchase plan, 20,000 shs.; par \$0.50.

\$1 par shares split 2-for-1 May 19, 1969; \$0.50 par shares split 3-for-1 Feb. 10, 1983.

VOTING RIGHTS—Has one vote per share subject to rights of preferred stocks.

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—

1937 \$0.25 1938-39 Nil 1940 \$0.70
1941 0.60 1942 0.15 1943 0.50
1944 Nil 1945 0.30 1946-47 0.60
1948 1.00 1949 1.60 1950 1.70
1951-53 2.00 1954 1.25 1955 1.00
1956 0.75 1957-59 Nil 1960 0.25
1961 Nil 1962-65 1.00 1966 0.25
1967 1.30 1968 1.00 1969 0.30
1970 1.00 1971-78 Nil 1979-82 1.00
\$0.50 par shs. after 3-for-1 split:

1983-84 1.00
Paid in cash or 1/400th share of former 6% preferred.

(Also stock dividends: 1955, 10%; 1962-66, 5% each year; 1969, \$0.25 com. stk.; 1970, \$0.30 com. stk.; 1979-80, 5%; 1981-82, 5%; 1983 and 1984, 2%.)

TRANSFER AGENT—Morgan Guaranty Trust Co., NYC.

DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., NYC.

REGISTRAR—Citibank N.A., NYC.

LISTED—On NYSE (Symbol: CCN); also listed on Pacific Stock Exchange. Unlisted trading on Midwest Stock Exchange.

PRICE RANGE—1984 1983 1982 1981 1980
High 35 1/4 30 3/8 58 1/4 40 38 1/2
Low 24 1/4 19 1/4 31 1/4 26 1/4 14 1/2

After 3-for-1 split; before, 6 1/4-31 1/4.
Debt Exchange Offer: Pursuant to exchange offers which expired in Sept. and Oct., 1972, Company issued \$766,000 of 10% subordinated debentures in exchange for \$730,000 principal amount of 7% subordinated debentures, and \$4,608,000 of 10% subordinated debentures and 153,600 shares of common stock in exchange for \$7,680,000 principal amount of 6% convertible subordinated debentures.

CHROMALLOY AMERICAN CORP.

History: Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Company has acquired a number of companies in the metal fabrication, transportation, apparel, petroleum services, farm and industrial/commercial products businesses, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1981 Industrial Manual.

In July, 1981, Company acquired Flowers Marine Group for common stock, promissory notes and cash.

In Dec. 1982, Co. sold its Newman Foundry Division, in Kendallville to Dayton Malleable, Inc. for approximately \$14,000,000.

In Jan. 1983, sold F.M.S. Transportation, Inc. and McBride's Express, Inc. to Air Meridian, Inc. of Chicago. Details were not disclosed.

Under its "divestment program," Company has sold or liquidated 60 businesses from 1978 to present. During 1981 Company has divested of the following operating units: Industrial Testing Labs, Hawk Bilt, Jefferson Construction, Servus Rubber-Vinyl Division, and Leon Ferenbach. Company has 25 additional businesses planned for disposal in the following business sectors: farm equipment, industrial/commercial products, foundries and trucking. In accordance with Accounting Principles Board Opinion No. 30, Company has reclassified these businesses as "discontinued operations" for financial reporting purposes. However, they will remain in operation until sold. The divestment program is anticipated to be substantially completed in 1983.

In Aug. 1983, Co. sold its majority interest in Laidig, Inc.

In Jan. 1984, Co. sold Schwartz Manufacturing Co. for \$4,000,000.

Business: Co. is a multi-industry business which produces and sells broad range of products and services through the following divisions below:

Metal Fabrication: Develops and uses of advanced metallurgical and other processes to manufacture, repair and coat blades, vanes and other metal components of gas turbine engines. Other companies in this segment paint and coat light gauge steel for metal buildings and manufacture heat transfer devices, radiators and precision machine tools.

Transportation: Includes one of the largest large lines in the U.S., a fleet of deep-sea tankers, intracoastal barges and harbor tugs; the nation's largest new and used bus dealer; a leading manufacturer of bus and truck seats; a

supplier of bus replacement parts; and a firm which provides professional management for city transit systems.

Apparel: Includes women's and men's apparel manufacturing and distribution. Also operates a chain of men's specialty stores and women's booteries, primarily in the Western United States, and a chain of junior department stores in Texas.

Petroleum Services: Manufactures specialized oil and gas field equipment, produce drilling fluids and chemicals and manufacture and distribute replacement parts for centrifugal pumps, valves, and other industrial equipment.

Financial Services: Engaged principally in the property-casualty insurance business in the northeastern U.S. and Canada. Also in this segment are financing, leasing and real estate businesses.

Property: Co. occupies manufacturing or service facilities, office and warehouse space in 43 states and the District of Columbia and 9 foreign countries and owns other substantial operating assets, principally those employed in its marine transportation operations.

Subsidiaries

American Transit Corp. (Mo.)

Albe, S.A. (Switzerland)

Chromalloy Insurance Group

Sabine Towing & Transportation Co., Inc. (Del.)

Cro-Marine, Inc. (Del.)

The Valley Line Co. (Del.)

Centor Co.

Chromalloy Finance Corp.

Officers

N.E. Alexander, Chmn. & Chief Exec. Off.

W.E. Stevens, Pres. & Chief Oper. Off.

T.G. Barnett, Exec. Vice-Pres.—Fin. & Chief Fin. Off.

J.P. Denneen, Exec. Vice-Pres.; Gen. Couns. & Sec.

G.L. Phillips, Exec. Vice-Pres.—Oper. Admin.

J.J. Quicke, Vice-Pres. & Contr.

A.W. Clubb, Vice-Pres.

E.M. Felago, Vice-Pres.

D.G. Milnz, Vice-Pres.

J.A. Silkwood, Vice-Pres.

C.E. Self, Treas.

Directors

N.E. Alexander

W.E. Stevens

Robert Bennett

A.L. Fergenson

Allan Kramer

S.Z. Krinsky

J.G. Merrell

M.L. Midonick

F.R. Sullivan

Auditors: Peat, Marwick, Mitchell & Co.

Corporate Counsel: Whitman & Ransom, Esqs., N.Y.

Annual Meeting: In May.

No. of Stockholders: Feb. 28, 1985: pfd., 2,237; common, 8,980.

No. of Employees: Dec. 31, 1984, 13,750.

Executive Office: 120 South Central Ave., St. Louis, MO 63105. Tel: (314) 726-9200.

Consolidated Income Account, years ended Dec. 31 (\$000 omitted):

	1984	1983	1982
Net sales & revs.	865,646	841,296	942,781
Cost of sales	524,978	491,062	502,027
Cost of oper. revs.	139,944	160,054	210,124
Sell. etc., exp.	160,852	159,556	190,901
Oper. income	39,872	30,624	39,729
Other income	1,009	7,196	7,606
Total	40,881	37,820	47,335
Interest	34,588	42,045	49,288
Oth. deduct.		160,704	
Income taxes	5,403	335,061	34,965
Equity loss	2,795	10,158	8,321
Loss contin. oper.	1,905	40,026	5,309
Earn., com. sh.	\$50.39	\$52.91	\$50.62
Discontin. oper.			
Oper. loss	2,723	2,197	76
Loss assets disp.			36,995
Net loss	4,628	42,223	42,380
Prev. ret. earn.	140,164	185,420	238,701
Prof. divs.		3,033	4,065
Com. divs.			6,836
Retained earnings	135,536	140,164	185,420
Earn., com. sh.	\$50.57	\$53.05	\$53.06
Yr. end com. shs.	15,260,022	15,210,914	15,209,118

As reported on 15,223,000 (1983), 15,145,000; 1982, 15,155,000) aver. shs. Provision for permanently impaired assets.

Consolidated Balance Sheet, as of Dec. 31 (\$000 omitted):

	1984	1983
Assets:		
Cash	25,339	19,306
Receiv., net	109,481	114,315
Inventories	135,172	124,838
Tax claim	716	19,819
Prepay., etc.	16,383	15,035
Assets of discont. oper.	13,955	17,100
Total curr.	301,046	310,413
Net prop., etc.	358,296	391,212
Investments	3,974	11,282
Other assets	21,068	28,176
Excess acq. cost	9,982	10,616
Total	694,366	751,699

Liabilities:

	1984	1983
Notes, etc., pay.	39,749	57,288
Accts. payable	68,970	65,016
Accruals	69,773	69,214

	1984	1983
Total curr.	178,492	191,518
Long-term debt	224,655	253,229
Oth. liab.	22,467	30,113
\$5 pfd. stk. (\$1)	806	806
Com. stk. (\$1)	15,260	15,210
Capital surp.	120,973	120,678
Retain. earn.	135,536	140,164
Unreal. inv. losses		358
Fgn. curr. trans. adj.	48,823	48,800

	1984	1983
Total	694,366	751,699
Net curr. assets	122,554	118,895
Deprec.	282,417	271,294

Lower cost or mkt.

Note: Above 1983 & 1982 statements restated to incl. Chromalloy Finance Corp. on consolidated basis.

Long-Term Debt: Outstanding Dec. 31, 1984, \$253,348,000 comprised of:

(1) \$91,000,000 9.47% insurance co. loan payable annually thru 1995.

(2) \$17,648,000 12.5% insurance co. loan payable annually thru 1997.

(3) \$47,953,000 United States Government Merchant Marine Bonds, average interest of 12%, payable thru 2005.

(4) \$29,328,000 first preferred ship mortgages, average interest of 9.2%, payable thru 1993.

(5) \$6,564,000 bank loans, average interest of 15.9%, payable thru 1988.

(6) \$9,021,000 mortgage notes payable thru 1996.

(7) \$25,000,000 revolving credit agreement, at prime.

(8) \$9,630,000 other debt, payable thru 1993.

(9) \$20,713,000 debt due within one year intended to be refinanced.

Co. has a revolving credit agreement under which it may borrow up to \$100 million. The interest rate is equal to the prime rate and annual commitment fees of 1/2 of 1% on the unused portion of the commitment are required. In Sept. 1986, Co. may convert all or part of the outstanding borrowings into a four year term loan payable in varying amounts through 1990.

Co. intends to refinance \$20.7 million of short-term Government Insured Merchant Marine Bonds with proceeds from the issuance of long-term Government Insured Merchant Marine Bonds, and accordingly, at Dec. 31, 1984, this amount has been classified as long-term debt.

Co.'s loan agreements contain covenants which restrict the declaration or payment of cash dividends and the purchase, redemption or retirement of capital stock. At Dec. 31, 1984 and 1983 all of the Company's reinvested earnings were restricted due to these covenants. Under the covenants, declaration or payment of future dividends cannot be made until the Company's reinvested earnings, as defined in the loan covenants, return to the level specified.

The loan agreements also contain restrictive covenants which, among other things, require the Company to maintain minimum amounts of net worth and working capital, to maintain a specified minimum ratio of current assets to current liabilities and not to exceed a stipulated ratio of debt to capitalization, as defined. Under the most restrictive covenant, the Company is required to maintain a minimum amount of net worth equal to \$260 million in 1985, \$290 million in 1986, and further increasing each year to \$400 million in 1989.

Property and equipment having an aggregate net carrying value of approximately \$166.9 million and \$188.4 million at Dec. 31, 1984 and 1983, respectively, was pledged as collateral under various loan agreements.

In addition, certain of Co.'s consolidated and nonconsolidated subsidiaries are also subject to restrictions. Loans, advances and cash dividends to the parent are limited under covenants contained in their respective loan agreements and to a much lesser extent, foreign government regulations. At Dec. 31, 1984, restricted net assets of consolidated subsidiaries aggregated \$80.1 million.

Capital Stock: 1. Chromalloy American Corp. \$5 cumulative convertible preferred; par \$1.

AUTH.—All series: 1,825,000 shs.; outstanding Dec. 31, 1984, 805,642 shs.; par \$1.

PREFERENCES—Has preference for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.

DIVIDEND RECORD—Regular dividends paid. Dividends in arrears as of Feb. 1, 1985, \$6.25 per share.

DIVIDEND REINVESTMENT PLAN—See under common below.

LIQUIDATION RIGHTS—In liquidation, entitled to \$41.62 a sh. if involuntary; if voluntary, redemption price plus divs.

VOTING RIGHTS—Has 1 vote per sh.

CALLABLE—As a whole or in part, to each June 30, incl. as follows (in \$):

1988 101

Beginning July 1, 1988.

ted in Delaware on
r to Co., of same
ed in Ohio Nov. 21,
Co., successor to a
established in 1884; pre
1970.
ior to 1971, see Moo
al.
Anger Plastic Verarb
H. Vienna, Austria.
83% interest in SAC
and sold abrasives
y. (In 1975, ac
9% ising control
interest in SACOMA
i Cincinnati Milacron
K Tool Co. Ltd. Derby
ted Electronic Circu
ions in Belgium.
aged principally in the
and sale of process
is for industry and
s generally sold for use
two principal produc
ent and systems; ma
l control systems and
inery.
es 24 plants in United
ollows:
Mass.
Austria
South Carolina (2)
except three plants in
ted under long-term
ned):
national Marketing
national Marketing
ndelsgeschaft mbH
eting Co. (France)
Co. (Great Britain)
Britain)
Italy)
Japan)
national Marketing
national Marketing
national Marketing
national Marketing
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f Exec. Off.
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nters:
Kroencke
F. Mericle
Messinger
Carper
McCurdy
D. Geier
Mericle
Meyer
Asplin
Swaine and
1985, Pfd., 130;
84, 9,735.
Cincinnati, OH
84 12/31/83
00 224,500
t, years ended
31/83 1/1/83
59,017 759,688
13,373 13,326
1,182 1,178
3,572 774,192
1,557 595,135
7,665 126,826
4,964 11,000
1,317 14,654
1,652 14,056
1,277 12,238
1,27 275,557
24 240
3,300 16,301
435 271,254
0.46 \$203.97
0.53

Yr.-end pfd. shs.	60,000	60,000	60,000
Yr.-end com. shs.	23,430,035	22,713,312	22,535,773
[After \$25,948,000 (1983), \$23,115,000; Jan. '83, \$20,403,000] deprec. [Approx. 23,700,000 not re- stricted. [As reported on aver. shs.			
Consolidated Balance Sheet (\$'000 omitted):			
	12/31/84	12/31/83	
Assets:			
Cash	6,100	5,422	
Sh.-tm. mkt. sec.	2,007	20,629	
Receiv., net	151,323	128,212	
Inventories	221,728	192,455	
Prepay., etc.	17,972	47,461	
Total curr.	399,130	394,179	
Net prop.	207,035	198,173	
Inv. uncon. subs.	29,492	24,759	
Other, net	18,266	11,541	
Total	653,923	628,652	
Liabilities:			
Notes, etc., pay.	33,883	17,919	
Accts., etc., pay.	149,822	167,592	
Income taxes	919	5,233	
Total curr.	184,624	190,744	
Long-term debt	95,066	75,067	
Cap. lse. oblig.	21,076	21,453	
Def. inc. tax	40,237	39,120	
% pfd. (\$100)	6,000	6,000	
Com. stk. (\$1)	23,430	22,713	
Cap. exc. par val.	74,897	58,371	
Retain. earn.	246,229	244,435	
Fgn. curr. adj.	dr37,636	dr29,251	
Total	653,923	628,652	
Net curr. assets	214,506	203,435	
Net tang. com. sh.	\$13.35	\$13.04	
[Deprec., etc.	185,829	172,122	
Long Term Debt: Outstg., Dec. 29, 1984, (excl. current portion), \$116,142,000 comprised of:			
(1) \$45,800,000 9% senior notes, due 1985- 1994.			
(2) \$10,000,000 Industrial Development Revenue Bonds Due 2008.			
(3) \$18,000,000 Revolving Credit and Term loan agreement.			
(4) \$20,190,000 6.375%-6.75% capitalized lease obligations, due in varying amounts to 2004.			
(5) \$886,000 other capitalized leases.			
Subsidiary Debt:			
(6) \$20,266,000 other long term debt.			
Agreement relating to senior notes, contains certain restrictions with respect to additional indebtedness and payment of dividends and requires maintenance of specific levels of working capital and net tangible assets, all of which are being met by Co.			
The Industrial Development Revenue Bonds due 2008 are tax-exempt, variable rate bonds, the interest rate is established weekly. At year end 1984, the rate was 6.65%.			
Capital Stock 1. Cincinnati Milacron Inc., 4% cu- mulative preferred; par \$100:			
AUTHORIZED —60,000 shares; outstanding, Dec. 31, 1984, 60,000 shares; par \$100.			
PREFERENCES —Has preference for assets and dividends.			
DIVIDEND RIGHTS —Entitled to cumulative dividends of \$4 per share annually pay- able quarterly March 1, etc., to stock of record Feb. 15, etc.			
DIVIDEND RECORD —Regular quarterly dividends paid Mar. 1, etc.			
VOTING RIGHTS —Has 24 votes per share, and while any dividends of at least \$4 per share are in arrears preferred, voting sepa- rately as a class, is entitled to elect one-third (to nearest whole number) of directors, in ad- dition to share-for-share vote with common for remaining directors.			
LIQUIDATION RIGHTS —In liquidation, entitled to \$100 per share if involuntary and to redemption price if voluntary, plus accrued dividends in all cases.			
PREEMPTIVE RIGHTS —None.			
CALLABLE —As a whole or in part on at least 30 days' notice at any time at \$105 per share and dividends.			
ADDITIONAL PREFERRED —May be is- sued with dividend rate, redemption and liq- uidation prices and other provisions as fixed by directors.			
TRANSFER AGENT —Company.			
REGISTRAR —Central Trust Co., N.A., Cin- cinnati.			
2. Cincinnati Milacron Inc., common; par \$1:			
AUTHORIZED —30,000,000 shares; outstand- ing, Dec. 29, 1984, 23,430,035 shares; reserved for options, 1,002,844 shares; par \$1.			
\$10 par shares split 2-for-1 Dec. 29, 1955, Aug. 3, 1966 and Jan. 10, 1978; par changed from \$10 par to \$5 by 2-for-1 split on July 6, 1979; par changed from \$5 par to \$1 by 3-for-2 split on Jan. 2, 1981.			
VOTING POWER —Has one vote per share with right of cumulative voting for directors.			
PREEMPTIVE RIGHTS —None.			
DIVIDEND RESTRICTIONS —See pre- ferred and term loan above.			

DIVIDENDS (payments since 1945 follow):
(\$10 par shares)
1946-48 \$1.40 1949-50 \$1.75 1951 \$2.05
1952 3.00 1953-54 4.00 1955 3.05
(\$10 par shares after 2-for-1 split in 1955)
1956-64 1.60 1965 2.00 1966 1.20
(\$10 par shares after 2-for-1 split in 1966)
1966 0.45 1967 1.30 1968 1.35
1969-76 1.40 1977 1.60
(\$10 par shares after 2-for-1 split 1978)
1978 0.95 1979 0.60
(\$5 par shares after 2-for-1 split)
1979 0.36% 1980 0.97
(\$1 par shares after 3-for-2 split)
1981-84 0.72 [1985 0.36
[To June 12.
TRANSFER AGENT & REGISTRAR—
First National Bank, Cincinnati.
LISTED—On NYSE (Symbol: CMZ); also
listed on Cincinnati Stock Exchange, Boston
Stock Exchange and Midwest Stock Ex-
change.
PRICE RANGE— 1984 1983 1982 1981 1980
High 34 39 30 46 57
Low 20 25 19 23 25
[After 3-for-2 split.
CIRCUIT CITY STORES, INC.
History: Incorporated in Virginia Sept. 13,
1949 as Wards Co., Inc.; present title adopted
June 21, 1984.
In Sept. 1965 acquired Murnic of Delaware,
Inc.
On May 22, 1969, Co., through newly-
formed subsidiary, acquired Custom Electron-
ics, Washington, D.C. based merchandiser of
hi-fi equipment, for 16,000 shares Series A pfd.
stock, plus additional shares based on future
earnings.
In Oct., 1969, acquired Certified TV & Ap-
pliance Co., Inc. and Certified TV & Appliance
Co. of Virginia Beach, operator of 3 TV and
appliance stores, for 8,600 shares Series C vot-
ing pfd. stock initially convertible into 18,976
Co. common shares.
On Nov. 8, 1969, acquired Rose Tire Co.,
Inc. and affiliated Cos., majority combined to
form The Mart, Indianapolis TV, appliance
and furniture store chain, for \$50,000 cash,
7,500 shares Series B conv. pfd. and \$1,925,000
notes.
On Apr. 1, 1970 acquired Frank Dry Goods
Co., for \$225,125 cash; 10,000 com. shs., and
notes in aggregate principal amount of
\$199,000. In Sept. 1970 Co. sold for an undis-
closed cash sum 7 hardware-houseware de-
partments. Three of such departments are lo-
cated in Atlanta and one each in Norfolk,
Hampton, Va., Charleston, S.C. and Oklaho-
ma City.
In May, 1970, acquired Woodville Ap-
pliances, Inc., Toledo, O., owner of five retail
stores.
On June 24, 1981, acquired Lafayette Radio
Electronics Corp. thru issuance of com. and
pfd. shs.
Business: Co. is a specialty retailer of video
equipment (including television sets, video
cassette recorders and video disc players), ap-
pliances (including washers, dryers, refrigera-
tors, freezers and microwave ovens), audio
equipment (including radios, stereos for home
and car, tape recorders and players) and other
consumer electronics products (including tele-
phones, personal home computers, portable
radios and tape players).
Co.'s operations are conducted in 93 retail
locations. Of these locations, 36 are in the
Southeast and the Washington, D.C. area do-
ing business principally under the names "Cir-
cuit City" and "Circuit City Superstore". 13
are warehouse showrooms in Va., N.C., S.C.
and Tenn. and 12 are in the New York metro-
politan area operating under the name "La-
fayette". The balance of Co.'s stores are in 30
licensed departments operating under the
name "Zody's Major Appliance Department"
in the Zody's stores owned by HRT Indus-
tries, Inc., which are concentrated in the great-
er Los Angeles area with other locations in
northern and central California, and in Ne-
vada and in two outlet stores in the Los An-
geles area.
Property: Retail stores are leased; store leas-
es and license agreements covering licensed
departments provide generally for payment of
a fixed rental to be applied against a percent-
age rental based on gross sales in the store or
department. Co. owns buildings which house
its executive office and warehouse showroom
in Richmond, Va. as well as its repair and
service dept.
Co. also leases office and service facilities in
New York, Nashville, Tenn., Los Angeles and
Washington D.C.
Officers
A.L. Wurtzel, Chmn. & Ch. Exec. Off.
S.S. Wurtzel, Vice-Chmn.
R.L. Sharp, Pres.
W.D. Rivas, Exec. Vice-President
D.M. Rexinger, Exec. Vice-Pres.
W.E. Bruckart, Senior Vice-Pres.
Vice-Presidents
K.M. Antos Eugene Koch
Richard Birnbaum James Gillum
W. Zierden
Edward Villanueva, Vice-Pres. & Treas.
M.T. Chalfoux, Controller

G.M. Gibson, Sec.
L.A. Wilson, Asst. Treas.
Franklin Bell, Asst. Vice-Pres.
Edward Kopf, Asst. Vice-Pres.
Frank Forlano, Asst. Vice-Pres.
Sheldon Shapiro, Asst. Vice-Pres.
Ben Cummings, Asst. Sec.
Directors
W.D. Rivas Edward Villanua
S.S. Wurtzel Samuel Winoku
A.L. Wurtzel D.M. Rexinger
Hyman Meyers Douglas Drysda
Robert Clauber T.D. Nierenberg
Daniel Coven R.N. Cooper
R.L. Sharp
Auditors: Peat, Marwick, Mitchell & Co.
General Counsel: McGuire, Woods & B.
Richmond, Va.
Annual Meeting: In June.
No. of Stockholders: Feb. 28, 1985, 3,054.
No. of Employees: Feb. 29, 1984, 2,057.
Executive Office: 2040 Thalbro St., F
mond, VA 23230. Tel.: (804)257-4292.
Consolidated Income Account, years or
(\$'000 omitted):

	2/28/85	2/29/84	2/2
Net sales, etc.	519,214	356,708	24
Cost of sales	370,765	253,887	17
Selling, etc. exp.	109,031	79,140	54
Interest	1,409	1,372	1
Income taxes	17,775	10,300	3
Net Income	20,234	12,009	5
Prev. ret. earn.	31,278	19,741	14
Com. divs.	758	376	
Pfd. divs.	94	96	
Retained earnings ..	50,660	31,278	19
[Earn., com. share ..	\$1.94	\$1.23	9
Yr.-end com. shs.	10,860,989	9,882,423	2,811
[As reported on 10,373,000 (1984, 9,646,000; 11 8,746,000) aver. shs. adj. for 50% stk. div. 2/83; 200% stk. div. 11/83; \$1.93 (1984, \$1.23; 1983, \$0. fully diluted.			
Consolidated Balance Sheet (\$'000 omitted)			
	2/28/85	2/29	
Assets:			
Cash & invests.	45,230	21	
Accts. recv., net	10,544	8	
Inventories	73,688	47	
Other assets	1,749	1	
Total current	131,211	79	
Net property, etc.	43,984	21	
Def. inc. taxes	1,531	1	
Other assets	14,647	7	
Total	191,373	109	
Liabilities:			
Notes payable	1,477	2	
Accts., etc. payable ..	45,176	32	
Income taxes	13,432	6	
Total current	60,085	32	
Long-term debt	27,885	15	
Def. rev.	5,733	4	
Oth. liabil.	1,652	1	
Excess acq. adj.	6,843	7	
16 1/4 cv. pfd. (\$20) ..	590	59	
Common stock (\$1) ..	10,861	9	
Cap. excess par value	27,064	6	
Retained earnings	50,660	31	
Total	191,373	109	
Net current assets	71,126	46	
[Depreciation	10,460	7	
Long Term Debt: Outstanding, Feb. 28, 1985 (excluding current portion), \$27,885,000 con- sisting of:			
(1) \$1,581,000 9 1/4% secured mortgage notes payable due to 1994.			
(2) \$3,400,000 unsecured term loan.			
(3) \$21,775,000 industrial development reve- nue bonds due through 2007.			
(4) \$92,000 other long term debt.			
(5) \$1,037,000 obligations under capital leas- es.			
The Company maintains an \$11,000,000 unsecured revolving credit agreement with two banks. The agreement calls for interest based on certain money market rates. A com- mitment fee is required on the unsecured portion of the commitment. The Company has the option on July 1, 1987, to convert the entire \$11,000,000 commitment into a term loan payable in 16 equal quarterly install- ments with a final payment due on July 1, 1991. No amounts were outstanding under the revolving credit agreement at February 28, 1985 or Feb. 29, 1984. Co. has \$4,600,000 of unsecured term loans including a \$3,600,000 loan with two banks and a \$1,000,000 loan with a subsidiary of a major insurance company. The loan agree- ments provide for principal repayments to the banks in three annual installments of \$1,200,000 beginning April 1, 1985 and for full principal repayment to the insurance compa- ny on Mar. 31, 1987. Interest is payable peri- odically based on certain money market rates. The interest rates on the debt outstanding to the banks and the insurance company at Feb. 28, 1985 were 9.13% and 10.09%, respectively (10.44% and 11.00%, respectively, at Feb. 29, 1984). All Industrial Development Revenue Bonds are collateralized by land, buildings, equip- ment and unexpended escrow funds and are due through 2007. The Bonds generally pro- vide that, at the sole option of the bondhold-			

PURPOSE—Proceeds will be used for all corporate purposes.
OFFERED—(\$25,000,000) at 100 plus accrued interest (proceeds to Co. 97%) on Nov. 30, 1979 thru Bear, Stearns & Co. and associates.

PRICE RANGE—1983 1982 1981 1980 1979
 High 108 1/4 103 1/2 94 1/2 105 1/2 102 3/4
 Low 101 1/8 81 1/8 81 1/2 88 101

4. Other Debt: Outstg. Aug. 31, 1983: \$12,000,000 9 7/8% secured notes due May 1, 1993.

Notes were issued in Apr. 1978 by a wholly-owned subsidiary of Co., which owns capital stock of Co.'s two television stations.

Notes are secured by capital stock and certain assets of the stations and an escrow account of certain marketable securities having a market value of not less than \$2,500,000. In specified circumstances, escrow account may be reduced as sinking fund payments are made. Notes require annual sinking fund payments of \$1,000,000 from 1982 to 1985, \$1,250,000 from 1986 to 1989 and \$1,500,000 thereafter, and may not be prepaid prior to 1988, except under specified conditions. Holder may require prepayment of notes in full on 15 days' notice in event that Co.'s current chief executive officer ceases to serve as such. Subsidiary is required to comply with certain financial requirements and dividends payable by subsidiary are limited to 85% of its consolidated net income, as defined. As of Aug. 31, 1982, \$10,875,000 of the subsidiary's retained earnings were available for the payment of dividends.

Capital Stock: 1. Chris-Craft Industries, Inc., \$1 prior preferred; no par (stated value, \$21.50): AUTH.—137,329 shs.; outstanding Aug. 31, 1983, 107,100 shs.; no par (stated value \$21.50).

PREFERENCES—Has first preference as to assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$1 annually, payable quarterly, Mar. 31, etc.

DIVIDEND RECORD—Regular dividends paid through Dec. 31, 1970; 1971, nil; July 28, 1972, \$1.50, clearing arrears. Regular dividends paid thereafter.

LIQUIDATION RIGHTS—In any liquidation, entitled to \$21.50 a sh. plus divs.

VOTING RIGHTS—Each share is entitled to 0.3 vote. If dividends on prior preferred are in arrears for 6 quarters (\$1.50 per sh.) then holders may, as a separate class, elect three additional directors for as long as such dividends remain in arrears.

Consent of 66 2/3% of pfd. needed to (a) increase authorized amount of pfd., (b) issue any stock ranking prior to or on a parity with pfd., (c) voluntarily dissolve, liquidate or wind up or carry out any partial liquidation or transactions such as "spin-off" or "split-up," (d) sell, transfer or lease all or substantially all assets, (e) merger or consolidate, (f) change terms adversely.

CALLABLE—As a whole or in part on at least 30 days' notice at \$25 a sh.

PREFERTIVE RIGHTS—None.

TRANSFER AGENT & REGISTRAR—Chase Manhattan Bank, N.A., N.Y.

PURPOSE—Issued in June 1968 in connection with merger of Baldwin-Montrose Chemical Co., Inc. into Co.

LISTED—On NYSE (Symbol: CCN Pr A); also listed on Pacific Stock Exchange.

PRICE RANGE—1983 1982 1981 1980 1979
 High 10 1/2 9 10 1/4 9 1/4
 Low 8 1/8 6 1/8 6 1/2 8 1/8

2. Chris-Craft Industries, Inc., \$1.40 convertible preferred; no par (stated value, \$17.50):

AUTH.—1,291,234 shs.; outstanding Aug. 31, 1983, 374,015 shs.; no par (stated value \$17.50).

PREFERENCES—Has preference after \$1 cum. conv. pfd. as to assets and divs.

DIVIDEND RIGHTS—Entitled to cum. divs. payable in conv. pfd. stock of a value of \$1.20 and cash of \$0.20 annually thru Mar. 1, 1973; and thereafter, cash of \$1.40 annually. Divs. payable semi-annually, Mar. 31 & Sept. 30.

DIVIDEND RECORD—Regular dividends paid through 1970; 1971, nil; 1972, \$0.3115 cash and 12.728% sh. of stk.; Feb. 28, 1973, \$0.10 cash and 0.04708 sh. stk., clearing arrears. Regular dividends paid through Sept. 30, 1973. None thereafter to Dec. 9, 1977 when \$2.10 per sh. paid. On Jan. 3, 1978 paid \$3.50 per sh. clearing arrears.

LIQUIDATION RIGHTS—In any liquidation, entitled to \$23 a sh. plus divs.

VOTING RIGHTS—Has 2.1 votes per sh. with non-cumulative voting for directors except if divs. are in arrears for 3 semi-annual payments then pfd. voting as a class may elect 2 directors.

Consent of 66 2/3% of pfd. needed to (a) increase authorized amount of pfd., (b) issue prior stock or (c) change terms adversely. Consent of majority of pfd. needed to (a) create any class of stock ranking on a parity with pfd., (b) voluntarily dissolve, liquidate or wind up or carry out any partial liquidation or transaction such as "spin-off" or "split-up," (c) sell, transfer or lease all or substantially all assets, or (d) merge or consolidate.

CALLABLE—As a whole or in part on or af-

\$40 a sh. Pfd. may be redeemed before June 1, 1971 upon redemption or elimination of all outstg. prior pfd. Pfd. may not be redeemed unless net worth of surviving corporation shall, immediately after redemption, be not less than liquidation preference of prior pfd.

CONVERTIBLE—Into com. at any time on basis of 7.29387 com. shs. for each pfd. sh. held (adj. for stk. splits and divs. through Jan. 1983). Conversion privilege protected against dilution.

PREFERTIVE RIGHTS—None.

TRANSFER AGENT & REGISTRAR—See \$1 prior pfd. (above).

PURPOSE—Issued in June 1968 in connection with merger of Baldwin-Montrose Chemical Co., Inc. into Co.

LISTED—On NYSE (Symbol: CCN Pr B); also listed on Pacific Stock Exchange.

PRICE RANGE—1983 1982 1981 1980 1979
 High 177 141 87 1/4 81 44 1/4
 Low 142 1/2 76 1/4 67 1/4 34 1/4 22 1/2

3. Chris-Craft Industries, Inc. common; par 50 cents:

AUTHORIZED—15,000,000 shs.; outstg. Aug. 31, 1983, 6,201,543 shs.; reserved for conv. of pfd. 2,765,044 shs.; reserved for options, 1,223,102 shs.; reserved for stock purchase, 20,000 shs.; par \$0.50.

\$1 par shares split 2-for-1 May 19, 1969; \$0.50 par shares split 3-for-1 Feb. 10, 1983.

VOTING RIGHTS—Has one vote per share subject to rights of preferred stocks.

PREFERTIVE RIGHTS—None.

DIVIDENDS PAID—

1937	.....	\$0.25	1938-39	.....	Nil	1940	.....	\$0.70
1941	.....	0.60	1942	.....	0.15	1943	.....	0.50
1944	.....	Nil	1945	.....	0.30	1946-47	.....	0.60
1948	.....	1.00	1949	.....	1.60	1950	.....	1.70
1951-53	.....	2.00	1954	.....	1.25	1955	.....	1.00
1956	.....	0.75	1957-59	.....	Nil	1960	.....	0.25
1961	.....	Nil	1962-65	.....	2	1966	.....	0.25
1967	.....	1.30	1968	.....	1.00	1969	.....	0.30
1970	.....	2	1971-78	.....	Nil	1979-82	.....	2

\$0.50 par shs. after 3-for-1 stk split:

1983 2

1 Paid in cash or 1/400th share of former 6% preferred.

Also stock dividends: 1955, 10%; 1962-66, 5% each year; 1969, \$0.25 com. stk.; 1970, \$0.30 com. stk.; 1979-80, 3%; 1981-82, 5%; 1983, 2%.

TRANSFER AGENT—Morgan Guaranty Trust Co., N.Y.C.

DIVIDEND DISBURSING AGENT—Morgan Guaranty Trust Co., N.Y.C.

REGISTRAR—Citibank, N.A., N.Y.C.

LISTED—On NYSE (Symbol: CCN); also listed on Pacific Stock Exchange. Unlisted trading on Midwest Stock Exchange.

PRICE RANGE—1983 1982 1981 1980 1979
 High 30 1/2 58 1/4 40 38 1/2 21 1/2
 Low 19 1/4 31 1/4 26 1/4 14 1/4 9 1/4

After 3-for-1 split; before, 6 1/2-31 1/4.

Debtenture Exchange Offer: Pursuant to exchange offers which expired in Sept. and Oct., 1972, Company issued \$766,000 of 10% subordinated debentures in exchange for \$730,000 principal amount of 7% subordinated debentures, and \$4,608,000 of 10% subordinated debentures and 153,600 shares of common stock in exchange for \$7,680,000 principal amount of 6% convertible subordinated debentures.

CHROMALLOY AMERICAN CORP.

History: Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Company has acquired a number of companies in the metal fabrication, transportation, apparel, petroleum services, farm and industrial/commercial products businesses, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1981 Industrial Manual.

In July, 1981, Company acquired Flowers Marine Group for common stock, promissory notes and cash.

In Dec. 1982, Co. sold its Newman Foundry Division, in Kendallville to Dayton Malleable, Inc. for approximately \$14,000,000.

In Jan. 1983, sold F.M.S. Transportation, Inc. and McBride's Express, Inc. to Air Meridian, Inc. of Chicago. Details were not disclosed.

Under its "divestment program," Company has sold or liquidated 60 businesses from 1978 to present. During 1981 Company has divested of the following operating units: Industrial Testing Labs, Hawk Bilt, Jefferson Construction, Servus Rubber-Vinyl Division, and Leon Ferrenbach. Company has 25 additional businesses planned for disposal in the following business sectors: farm equipment, industrial/commercial products, foundries and trucking. In accordance with Accounting Principles Board Opinion No. 30, Company has reclassified these businesses as "discontinued operations" for financial reporting purposes. However, they will remain in operation until sold. The divestment program is anticipated to be substantially completed in 1983.

In Aug. 1983, Co. sold its majority interest in Laidig, Inc.

In Jan. 1984, Co. sold Schwartz Manufac-

Business: Co. is a multi-industry which produces and sells broad range of products and services through the following divisions below:

Metal Fabrication: Develops advanced metallurgical and other metal products, manufacture, repair and coat buildings and other metal components of engines. Other companies in the paint and coat light gauge steel buildings and manufacture heat exchangers, radiators and precision machinery.

Transportation: Includes one of the largest lines in the U.S., a fleet of tankers, intracoastal barges and the nation's largest new and used leading manufacturer of bus and truck supplier of bus replacement parts which provides professional maintenance transit systems.

Apparel: Includes women's apparel manufacturing and distribution, tail chains and textile manufacturing.

Petroleum Services: Manufacture, distribute oil and gas field equipment, piping fluids and chemicals and manufacture replacement parts for pumps, valves, and other industrial machinery.

Financial Services: Engaged in the property-casualty insurance business in the northeastern U.S. and Canada; segment are financing, leasing and businesses.

Property: Co. occupies manufacturing facilities, office and warehouse in 46 states and the District of Columbia and 10 foreign countries.

Subsidiaries

American Transit Corp. (Mo.)

Albe, S.A. (Switzerland)

Chromalloy Insurance Group

Sabine Towing & Transportation (Del.)

Cro-Marine, Inc. (Del.)

The Valley Line Co. (Del.)

Centor Co.

Chromalloy Finance Corp.

Officers

N.E. Alexander, Chmn. & Chief Exec.

W.E. Stevens, Pres. & Chief Oper. Officer

T.G. Barnett, Exec. Vice-Pres.—Finance

Fin. Off.

J.P. Denneen, Exec. Vice-Pres.—Gen'l.

G.L. Phillips, Exec. Vice-Pres.—Oper.

J.J. Quicke, Vice-Pres. & Contr.

A.W. Clubb, Vice-Pres.

E.M. Felagg, Vice-Pres.

C.E. Self, Treas.

J.F. Krupsky, Sec.

Directors

I.G. Mettall

M.L. McCall

F.R. Sullivan

W.E. Stevens

Craig Stevens

A.A. Kole

Allan Kramer

Auditors: Peat, Marwick, Mitchell & Co.

Corporate Counsel: Whitman & Esq., N.Y.

Annual Meeting: In May.

No. of Stockholders: Feb. 29, 1984, 10,184.

No. of Employees: Dec. 31, 1982, 10,184.

Executive Office: 120 South Central

Louis, MO 63105. Tel.: (314) 726-9200.

Consolidated Income Account, Year

Dec. 31 (\$000 omitted):

	1983	1982
Net sales & revs.	867,867	973,524
Cost of sales	514,293	526,411
Cost of oper. revs.	160,054	210,124
Sell. etc., exp.	167,156	197,462
Oper. income	26,364	39,597
Other income	5,698	5,633
Total	32,062	45,230
Interest	41,606	50,215
Oth. deduct.	360,704	360,704
Income taxes	cr37,632	cr5,151
Equity loss	9,607	7,557
Inc. contin. oper.	d42,223	d5,384
Earn., com. sh.	d83.05	d80.02
Loss discount oper.	36,995	36,995
Net income	d42,223	d42,380
Prev. ret. earn.	185,420	238,701
Prof. divs.	3,033	4,063
Com. divs.	6,836	6,836
Retained earnings	140,164	185,420
1 Earn., com. sh.	d83.05	d83.06
Yr. end com. shs.	15,210,914	15,209,118

As reported on 15,145,000 (1982)

1981, 14,758,000 aver. shs. 1 Incl. co. shs. from date of acq. 2 Provision for perma-

paired assets.

Consolidated Balance Sheet, as of (\$000 omitted):

	1983
Cash	19,300
Receiv., net	94,337
Inventories	130,397

ty, etc.	36,368	59,829
s of discont.	11,526	26,055
er.		
total curr.	291,928	334,551
prop., etc.	395,748	487,140
time	20,766	37,252
as	14,345	10,312
is a. st.	10,616	11,497
curr. assets of		
scont. op.	1,922	8,014
total	735,324	888,766
ilities:		
etc., pay.	44,083	24,296
payable	67,595	69,421
als.	68,856	86,278
total curr.	180,534	179,995
tm. debt.	247,838	313,061
ac. tax.	1,580	39,581
ab.	28,533	33,061
stk. (\$1)	808	809
stk. (\$1)	15,211	15,209
l. surp.	120,678	120,679
l. earn.	140,164	185,420
l. inv. losses	338	dr9
urr. transl. adj.	dr360	960
total	735,324	888,766
urr. assets	111,394	154,556
eprec.	276,054	253,696
er cost or mkt.		

g-Term Debt: Outstanding Dec. 31, 1983, \$64,000 consists of the following:
 \$105,000,000 9.47% insurance company unsecured, payable in annual installments of \$7,000,000 in 1984 thru 1998.
 \$20,000,000 12 1/2% insurance company unsecured, payable in annual installments of \$1,776,000 in 1984 thru 2000.
 \$39,994,000 9.2% first preferred ship mortgage payable in varying amounts thru \$14,001,000 16.1% unsecured bank loans payable in varying amounts thru 1988.
 \$10,271,000 11% mortgage notes and ment obligations, payable in varying amounts thru 1996.
 \$5,920,000 4% to 7.8% industrial development bonds secured by real estate, machinery and equipment payable in varying amounts thru 1992.
 \$51,137,000 12.1% United States Government-insured Merchant Marine Bonds, payable in varying amounts thru 2005.
 \$1,270,000 14% capitalized lease obligations to CFC in varying amounts thru \$15,000,000 11% revolving credit agree-

\$6,783,000 9.6% other debt due through loan agreements contain covenants restrict the declaration or payment of dividends and the purchase, redemption or payment of capital stock. At Dec. 31, 1983 \$82 of Co.'s reinvested earnings were tied due to these covenants. Co. has not paid a common stock dividend the second quarter of 1982. Co. also deferred payment of cumulative quartered dividends commencing with the end that would have been payable Feb. 1, 1983. Previous waivers from Co.'s lenders permit the declaration and payment of quartered dividends during 1983; however, declaration or payment of further dividends cannot be made without additional approval or until Co.'s reinvested earnings reach the level specified in the covenants. Loan agreements also contain restrictive covenants which, among other things, require Co. to maintain minimum amounts of net working capital, to maintain a minimum ratio of current assets to liabilities and not to exceed stipulated debt to capitalization, as defined. As of Dec. 31, 1983, Co. and its lenders amended loan agreements to reduce the restrictions under the above covenants. Under the restrictive covenants provided in the loan agreements, Co. is required to maintain a minimum amount of net worth of \$250 million through 1984, \$260 million in 1985, and further increasing to \$400 million in 1989; a minimum amount of working capital of \$65 million at Dec. 31, 1983, \$100 million at Dec. 31, 1984 and 1985; and a minimum current ratio of 1.3 at Dec. 31, 1983 and Dec. 31, 1984 and 1985. As of Dec. 31, 1983, Co. had \$276.8 million of net worth, \$100 million of working capital and a current ratio of 1.62. Property and equipment having an aggregate carrying value of approximately \$100 million and \$227.1 million at Dec. 31, 1983, respectively, is pledged as collateral under various loan agreements. In addition to the above mentioned restrictions imposed on Co. by loan agreements, Co.'s consolidated and nonconsolidated subsidiaries are also subject to restrictions, advances and cash dividends to the extent limited under covenants contained in respective loan agreements and to a lesser extent, foreign government regulations. At Dec. 31, 1983, restricted net assets of consolidated subsidiaries aggregated approximately \$77.9 million.

As of Dec. 31, 1983 Co. amended its revolving credit agreement which reduced the borrowing limit from \$140 million to \$100 million. The interest rate is equal to the prime rate and annual commitment fees of 1/2% of 1% on the unused portion of the commitment are required. Co. may borrow up to the \$100 million limit until Sept. 1986, at which time all or part of the outstanding balance may be converted into a four year term loan payable in varying amounts through 1990.

Co. intends to refinance \$21.9 million of short-term Government Insured Merchant Marine Bonds with proceeds from the issuance of long-term Government Insured Merchant Marine Bonds or by borrowing under its revolving credit agreement. Accordingly, at Dec. 31, 1983, this amount has been classified as long-term debt.

Capital Stock: 1. Chromalloy American Corp. \$5 cumulative convertible preferred; par \$1. AUTH.—All series: 1,825,000 shs.; outstanding, Dec. 31, 1983, 808,499 shs.; par \$1. PREFERENCES—Has preference for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.

DIVIDEND RECORD—Regular dividends paid.

DIVIDEND REINVESTMENT PLAN—See under common below.

LIQUIDATION RIGHTS—In liquidation, entitled to \$41.62 a sh. if involuntary; if voluntary, redemption price plus divs.

VOTING RIGHTS—Has 1 vote per sh.

CALLABLE—As a whole or in part, to each June 30, incl., as follows (in \$):
 1979 104 1982 103 1985 102
 1988 101 1991 100

Beginning July 1, 1988.
CONVERTIBLE—Into com. at rate of 3.888 com. shs. per pfd. sh.

TRANSFER AGENTS—Manufacturers Hanover Trust Co., N.Y.; Mercantile Trust Co., N.A., St. Louis, Mo.

REGISTRARS—Manufacturers Hanover Trust Co., N.Y.; Center Trust Co. of St. Louis.

LISTED—On NYSE (Symbol: CRO Pr).

PRICE RANGE: 1983 1982 1981 1980 1979
 High 60 1/2 75 1/4 108 1/2 101 1/2 95
 Low 48 1/8 42 75 62 1/2 65

2. Chromalloy American Corp. common; par \$1: Authorized, 30,000,000 shares; outstanding, Dec. 31, 1983, 15,210,914 shares; reserved for options, 700,000 shares; reserved for conversion of preferred, 3,143,558 shares; par \$1.

As of Mar. 19, 1983 Sun Chemical Corp. owned 5,513,558 shs. (36.3%).

Ten cent par shares split 3-for-2 split Sept. 15, 1967; par changed from \$0.10 to \$1 by 3-for-2 split Nov. 20, 1968.

One vote per share. No preemptive rights.

Dividends (since 1961):

1961 Nil 1962-63 Nil 1964 Nil
 1965 \$0.40 1966 \$0.50 1967 \$0.47 1/2

After 3-for-2 split:

1967 0.12 1/2 1968 0.59

On \$1 par shs. after 3-for-2 split:

1969 0.44 1970 0.50 1971 0.55
 1972 0.60 1973 0.62 1/2 1974-75 0.70

1976 0.80 1/2 1977 0.92 1978 1.02 1/2
 1979-80 1.10 1981 1.10 1982 0.72 1/2
 1983 Nil

Unpaid stock dividends: 1961, 4%; 1964, 5%.

Dividend Reinvestment Plan: Company offers dividend reinvestment plan for preferred and common dividends. The plan allows shareholders to automatically reinvest their dividends in additional common shares.

Transfer Agents: Manufacturers Hanover Trust Co., N.Y.; Mercantile Trust Co., N.A., St. Louis, Mo.

Registrars: Manufacturers Hanover Trust Co., N.Y.; Center Trust Co. of St. Louis.

Listed: On NYSE (Symbol: CRO).

Price Range: 1983 1982 1981 1980 1979
 High 14 1/4 18 1/2 28 1/4 26 1/4 24 1/4
 Low 8 1/4 7 1/4 16 1/4 14 1/2 15 1/2

CHURCH'S FRIED CHICKEN, INC.

History: Incorporated in Texas in April 1965 as Church's Food Service Industries, Inc.; present name adopted Oct. 6, 1968.

On Jan. 31, 1972 acquired Church's Chicken of Fort Worth, Inc. for 32,556 com. shs.

On July 13, 1979 acquired a 51% interest in Dining of California, Inc.

In Aug. 1980 Co. acquired 78 retail fried chicken outlets in the Houston-Galveston area for Host International Inc. Price terms were not disclosed.

In Nov. 1982 acquired 11 stores in N.Y.C. area.

In Sept., 1983 acquired Ron's Krispy Fried Chicken, Inc. for \$7,500,000.

Business: Co. is engaged as a major operator of drive-in, take-out, neighborhood stores which offer a limited popular-priced menu featuring specially prepared fried chicken & hamburgers designed to appeal to the family market.

Property: As of Dec. 1983, Co. operated 1,117 stores in 28 states. In addition, at Dec. 1983, there were 284 stores operated by licensees in 33 states and Can., D. of C., Mex., Puerto Rico, Singapore, Malaysia and Japan. Com-

pany also operated 79 hamburger shops under the name "GWJ's" all in Texas. The Co. and franchisees now operate chicken stores in 41 of the 50 states.

Joint Venture: In Mar. 1980 Co. and Agency Records Control Inc., a subsidiary of Firemens Fund, formed a joint venture to manufacture and sell electronic data terminals for business. Co. ordered units from the joint venture to be used in Co.'s fast food restaurants.

Officers

J.D. Bamberger, Chmn., & Chief Exec. Off.
 R.F. Sherman, Pres. & Chief Oper. Off.
 J.S. Parker, Exec. Vice-Pres.
 R.P. Gottlich, Senior Vice-Pres. Eastern Oper.
 R.E. Hilgenfeld, Senior Vice-Pres.
 J.A. Mays, Senior Vice-Pres.—Western Oper.

Vice-Presidents

J.F. Barreau D.W. Gibbs
 F.P. Gonzales R.O. Huntsman
 S.B. Alford N.D. Mecham
 J.A. Rock, Jr. T.H. Turkett
 J.R. Hale, Sec.

Directors

A.H. Half
 Sangwoo Ahn
 J.D. Bamberger
 R.E. Longoria
 R.J. Sperry
 N.H. Hammink
 Ernest Green

Auditors: Peat, Marwick, Mitchell & Co.

General Counsel: Cox & Smith, Inc.

No. of Stockholders: Dec. 25, 1983, 3,520.

No. of Employees: Dec. 31, 1983, 13,500.

Annual Meeting: In Apr.

Executive Office: 355A Spencer Lane, P.O. Box BH001, San Antonio, TX 78284. Tel: (512) 735-9392.

Consol. Income Acct., yrs. ended (\$000 omitted):

	12/25/83	12/26/82	12/27/81
Sales	454,490	413,144	408,615
Franch. roy. fees	3,444	3,378	3,489
Other revs.	6,215	7,300	8,090
Total	464,149	423,822	420,194
Cost of sales	177,075	158,522	162,686
Sell., etc. exp.	226,815	190,368	178,360
Interest	1,434	1,409	1,529
Income taxes	27,273	31,925	32,981
Net income	31,552	41,598	44,638
Prev. retain. earn.	201,941	172,520	138,133
Divs. (cash)	13,453	12,177	10,251
Div. (stk.)	254		
Retain. earn.	219,786	201,941	172,520
Earn., com. sh.	\$1.66	\$2.19	\$2.35
Yr. end com. shs.	19,039,381	12,690,692	12,674,203
After \$21,233,000 (1982), \$16,939,000 (1981), \$13,749,000 deprec. & amort. On 19,059,313 (1982), 19,029,189 (1981), 19,010,523 aver. com. & com. equiv. shs. adj. for 50% stk. div. 5/83. On 19,036,038 shs. in 1982 and 19,011,304 shs. in 1981 adj. for 1983 stk. div.			

Consol. Balance Sheet, as of (\$000 omitted):

	12/25/83	12/26/82
Assets:		
Cash & equiv.	47,033	48,855
Receiv., net	4,820	4,277
Inventories	10,319	11,602
Prepayments, etc.	2,275	2,510
Total curr.	64,447	67,244
Prop., etc., net	232,000	208,555
Notes receiv.	1,011	612
Other assets	4,697	1,151
Total	302,155	277,562
Liabilities:		
Notes, etc. pay.	1,413	1,084
Accts. pay.	19,501	17,382
Accruals	16,348	13,456
Income taxes	2,126	5,958
Total curr.	39,388	37,880
Long-tm. debt	5,434	5,619
Cap. lease oblig.	8,637	6,148
Def. inc. taxes	6,343	4,016
Def. retirement	855	621
Com. stk. (\$0.04)	763	508
Add. pd. in cap.	22,532	21,919
Retain. earn.	219,786	201,941
Stkhd. equity	243,081	224,368
Reacq. stk.	573	107
Def. compensation	dr1,010	dr983
Net stkhd. eq.	241,498	223,278

Total 302,155 277,562
 Net curr. assets 25,059 29,364
 Net tang. sh. \$12.68 \$17.59
 Deprec., etc. 88,637 74,494
 At lower of cost (fifo) or mkt. at cost. Shs. at cost: 1983, 24,900; 1982, 4,131. \$11.73 adj. for 1983 stk. div.

Long-Term Debt: Outstg. Dec. 25, 1983, \$15,484,000 consisting of:

(1) \$1,238,000 9 1/4% mortgage notes payable secured by first mortgages on certain store properties, payable \$110,600 semiannually to 1992.
 (2) \$1,896,000 8 1/4% mortgage note payable \$67,056 quarterly to 1995.
 (3) \$1,755,000 8 3/4% mortgage note payable \$133,443 semi-annually to 1993.
 (4) \$615,000 other debt.
 (5) \$8,637,000 capital lease obligations.
 (6) \$296,000 11% mortgage notes payable in quarterly installments of \$107,093 including interest in 1983 and lesser amounts thereafter.
 (7) \$724,000 11% mortgage notes payable in monthly installments of \$7,293 plus interest until 1993.

CONVERTIBLE—Into com. at rate of 3.888 com. shs. per pfd. sh.

TRANSFER AGENTS—Manufacturers Hanover Trust Co., N.Y.; Mercantile Trust Co., N.A., St. Louis, Mo.

REGISTRARS—Manufacturers Hanover Trust Co., N.Y.; Center Trust Co. of St. Louis.

LISTED—On NYSE (Symbol: CRO Pr).

PRICE RANGE: 1984 1983 1982 1981 1980
 High 54 60 75 108 101 1/2
 Low 42 48 42 75 62 1/2

2. Chromalloy American Corp. common; par \$1:
 Authorized, 30,000,000 shares; outstanding, Dec. 31, 1984, 15,260,022 shs.; reserved for conversion of pfd., 3,132,336 shs.

Ten cent par shares split 3-for-2 split Sept. 15, 1967; par changed from \$0.10 to \$1 by 3-for-2 split Nov. 20, 1968.

One vote per share. No preemptive rights.

Dividends (since 1961):
 1961 Nil 1962-63 Nil 1964 Nil
 1965 \$0.40 1966 \$0.50 1967 \$0.47 1/2
 After 3-for-2 split:
 1967 0.12 1/2 1968 0.59

On \$1 par shs. after 3-for-2 split:
 1969 0.44 1970 0.50 1971 0.55
 1972 0.60 1973 0.62 1/2 1974-75 0.70
 1976 0.80 1/2 1977 0.92 1978 1.02 1/2
 1979-80 1.10 1981 1.10 1982 0.72 1/2
 1983-84 Nil

Dividend Reinvestment Plan: Company offers dividend reinvestment plan for preferred and common dividends. The plan allows shareholders to automatically reinvest their dividends in additional common shares.

Transfer Agents: Manufacturers Hanover Trust Co., N.Y.; Mercantile Trust Co. N.A., St. Louis, Mo.

Registrars: Manufacturers Hanover Trust Co., N.Y.; Center Trust Co. of St. Louis.

LISTED: On NYSE (Symbol: CRO).

Price Range: 1984 1983 1982 1981 1980
 High 13 1/4 14 1/4 18 1/4 28 1/4 26 1/4
 Low 9 8 7 1/4 16 1/4 14 1/4

CHURCH'S FRIED CHICKEN, INC.

History: Incorporated in Texas in April 1965 as Church's Food Service Industries, Inc.; present name adopted Oct. 6, 1968.

On Jan. 31, 1972 acquired Church's Chicken of Fort Worth, Inc. for 32,556 com. shs.

On July 13, 1979 acquired a 51% interest in Dining of California, Inc.

In Aug. 1980 Co. acquired 78 retail fried chicken outlets in the Houston-Galveston area for Host International Inc. Price terms were not disclosed.

In Nov. 1982 acquired 11 stores in N.Y.C. area.

In Sept., 1983 acquired Ron's Krispy Fried Chicken, Inc. for \$7,500,000.

Business: Co. is engaged as a major operator of drive-in, take-out, neighborhood stores which offer a limited popular-priced menu featuring specially prepared fried chicken & hamburgers designed to appeal to the family market.

Property: As of Dec. 1984, Co. operated 1,155 stores in 30 states. In addition, at Dec. 1984, there were 272 stores operated by licensees in 29 states, the District of Columbia, and in foreign countries. Company also operated 70 hamburger shops under the name "GWJ's" and "jeepers" all in Texas. The Co. and franchisees now operate chicken stores in 41 of the 50 states.

Joint Venture: In Mar. 1980 Co. and Agency Records Control Inc., a subsidiary of Firemens Fund, formed a joint venture to manufacture and sell electronic data terminals for business. Co. ordered units from the joint venture to be used in Co.'s fast food restaurants.

Officers
 J.D. Bamberger, Chmn. & Chief Exec. Off.
 R.F. Sherman, Pres. & Chief Oper. Off.
 J.S. Parker, Exec. Vice-Pres.
 R.E. Hilgenfeld, Senior Vice-Pres.

Vice-Presidents
 J.F. Barteau
 F.P. Gonzales
 J.A.C. Cote
 L.B. Kilbourne
 J.R. Hale, Sec.

Directors
 A.H. Halff
 Sangwoo Ahn
 J.D. Bamberger
 R.E. Longoria
 R.F. Sherman
 D.W. Gibbs
 N.D. Mecham
 T.H. Turkett
 R.J. Sperry
 N.H. Hammink
 Ernest Green
 K.C. Edwards

Auditors: Peat, Marwick, Mitchell & Co.

Annual Meeting: In Apr.

General Counsel: Cox & Smith, Inc.

No. of Stockholders: Dec. 30, 1984, 3,490.

No. of Employees: Dec. 31, 1984, 15,000.

Executive Office: 355A Spencer Lane, P.O. Box BH001, San Antonio, TX 78284. Tel.: (512)735-9392.

Consol. Income Acct., yrs. ended (\$000 omitted):

	12/30/84	12/25/83	12/26/82
Sales	533,208	454,490	413,144
Royalty fees	3,654	3,444	3,378

Other revs. 8,467 6,215 7,300

Total 545,329 464,149 423,822

Cost of sales 206,141 177,075 158,522

Sell, etc. exp. 261,224 226,815 190,368

Interest 1,670 1,434 1,409

Income taxes 33,699 27,273 31,925

Net income 42,595 31,552 41,598

Prev. retain. earn. 219,786 201,941 172,520

Divs. (cash) 14,720 13,453 12,177

Div. (stk.) 254

Retain. earn. 247,661 219,786 201,941

Earn., com. sh. \$2.26 \$1.66 \$2.19

Yr. end com. shs. 18,827,060 19,039,381 19,036,092

After \$23,958,000 (\$83, 221,233,000, 1982, \$16,939,000) deprec. & amort. On 18,880,486 (1983, 19,059,313; 1982, 19,029,189) aver. com. & com. equiv. shs. adj. for 50% stk. div. 5/83. On 19,036,038 shs. adj. for 1983 stk. div.

Consol. Balance Sheet, as of (\$000 omitted):

	12/30/84	12/25/83
Assets:		
Cash & equiv.	33,708	47,033
Receiv., net	9,353	4,820
Inventories	12,914	10,319
Prepayments, etc.	4,454	2,275
Total curr.	60,429	64,447
Prop., etc., net	260,705	232,000
Notes receiv.	9,524	1,011
Other assets	3,410	4,697
Total	334,068	302,155
Liabilities:		
Notes, etc. pay.	1,594	1,413
Accts. pay.	22,739	19,501
Accruals	18,085	16,348
Income taxes	4,305	2,126
Total curr.	46,723	39,388
Long-tm. debt	4,182	5,434
Cap. lease oblig.	6,373	8,637
Other def. inc.	875	.....
Def. inc. taxes	10,141	6,343
Def. retirement	888	855
Com. stk. (\$0.04)	764	763
Add. pd.-in cap.	23,130	22,532
Retain. earn.	247,661	219,786
Stkhd. equity	271,555	243,081
Reacq. stk.	6,170	573
Def. compensation	4,499	4,010
Net stkhd. eq.	264,886	241,498
Total	334,068	302,155
Net curr. assets	13,706	25,059
Net tang. sh.	\$14.03	\$12.68
Deprec., etc.	104,607	88,637
At lower of cost (fifo) or mkt. at cost. Shs. at cost: 1984, 265,785; 1983, 24,900.		

Long-Term Debt: Outstg. Dec. 30, 1984, \$12,149,000 consisting of:

- (1) \$1,129,000 9 1/4% mortgage notes payable secured by first mortgages on certain store properties, payable \$110,600 semiannually to 1992.
- (2) \$1,638,000 8 7/8% mortgage note payable \$67,056 quarterly to 1995.
- (3) \$1,639,000 8 3/4% mortgage note payable \$133,443 semi-annually to 1993.
- (4) \$618,000 other debt.
- (5) \$6,373,000 capital lease obligations.
- (6) \$136,000 9 1/2% mortgage note payable in monthly installments of \$1,932 including interest until 1998.
- (7) \$616,000 12% promissory note payable in 1985.

Capital Stock: Church's Fried Chicken, Inc. common; par \$0.04.

Auth., 50,000,000 shs.; outstg., Dec. 30, 1984, 18,827,060 shs.; in treasury 265,785 shs.; reserved for options, 197,653 shs.; par \$0.04.

Par changed from \$0.25 to \$0.16 1/4 Apr. 20, 1970 and from \$0.16 1/4 to \$0.12 Apr. 14, 1972 and from \$0.12 to \$0.08 May 13, 1977 each time by 3-for-2 split and from \$0.08 to \$0.04 Sept. 22, 1978 by 2-for-1 split. \$0.04 par shs. split 3-for-2 May 13, 1983.

Has one vote per sh. with non-cumulative voting for directors. No preemptive rights.

Dividends Paid:

On \$0.12 par shares:
 1974 \$0.10 1975 \$0.35 1976 \$0.55
 1977 0.15

On \$0.08 par shares:
 1977 0.45 1978 0.57

On \$0.04 par shares:
 1978 0.11 1979 0.56 1980 0.69
 1981 0.81 1982 0.96 1983 0.25

On \$0.04 shares after 3-for-2 stock split:
 1983 0.54 1984 0.78 1985 1.02

Also paid stk. divs.: 1976, 5%; Apr. 12, 1985, 100%.

Offered (247,000 shs.) at \$17.50 a sh. on May 1, 1969 thru E.F. Hutton & Co., Inc. and associates. Proceeds of 144,000 for Co. account for general purpose.

(351,000 shs.) at \$41.25 a sh. on Mar. 29, 1972, thru Smith, Barney & Co., Inc. and associates. Offering did not represent new financing.

Transfer Agent & Registrar: Frost National Bank, San Antonio, Tex.

LISTED: On NYSE (Symbol: CHU).

Price Range: 1984 1983 1982 1981 1980
 High 30 1/2 33 1/2 40 1/4 37 1/2 29 1/2
 Low 21 1/4 22 25 25 18 1/2

After 3-for-2 split; before, 44 1/4-25.

CINCINNATI MILACRON INC.

History: Incorporated in Delaware on 27, 1983, as successor to Co., of same name originally incorporated in Ohio Nov. 21, 1971, as Cincinnati Milling Co., successor to a business of same name established in 1884; present name adopted May 1, 1970.

For acquisitions prior to 1971, see Moody's 1974 Industrial Manual.

In 1971 acquired Anger Plastic Verarbeitungsmaschinen G.m.b.H., Vienna, Austria.

In 1972, acquired 83% interest in S.A. MAT, Chambéry, France and sold abrasives operations in West Germany. (In 1975, acquired additional 16.9% raising control 99.9%.)

In 1980, liquidated interest in SACOM, Chambéry, France.

In 1982, liquidated Cincinnati Milacron South East Asia Ltd.

In 1984, acquired LK Tool Co. Ltd. Denmark and Liquidated Electronic Circuit board materials operations in Belgium.

Business: Co. is engaged principally in design, manufacture and sale of process equipment and systems for industry and supplies and accessories generally sold for use in such systems. Co. has two principal product lines of process equipment and systems: machine tools and related control systems; plastics processing machinery.

Properties: Co. operates 24 plants in United States and overseas as follows:

	Mass.	Austria	South Carolina (2)
Ohio (15)			
England (3)			
Netherlands			
France			

All plants are owned except three plants in Ohio which are operated under long-term leases.

Subsidiaries (wholly owned):
 Cincinnati Milacron International Marketing Co. (Korea)
 Cincinnati Milacron International Marketing Co. (Australia)
 Cincinnati Milacron Handelsgesellschaft m.b.H. (Vienna)
 Cincinnati Milacron Marketing Co. (France)
 Cincinnati Milacron U.K. Co. (Great Britain)
 LK Tool Co. Ltd. (Great Britain)
 Cincinnati Milacron S.r.l. (Italy)
 Cincinnati Milacron Ltd. (Japan)
 Cincinnati Milacron International Marketing Co. (Republic of China)
 Cincinnati Milacron International Marketing Co. (Singapore)
 Cincinnati Milacron International Marketing Co. (Sweden)
 Cincinnati Milacron International Marketing Co. (Switzerland)
 Cincinnati Milacron International Marketing Co. (West Germany)

Officers
 J.A.D. Geier, Chmn. & Chief Exec. Off.
 C.R. Meyer, Pres. & Chief Oper. Off.

Vice-Presidents
 D.E. Noffsinger
 D.G. Shively
 G.T. Rehfeldt
 D.J. Meyer
 Theodore Mauser
 J.J. Earl, Sec. & Gen. Counsel
 W.E. Buchholz, Treas.
 T.L. Jennings, Controller

Directors
 L.J. Everingham
 D.N. Frey
 Clark Daugherty
 N.A. Armstrong
 C.L. Reed
 G.G. McCurdy
 J.A.D. Geier
 W.F. Mericle
 C.R. Meyer
 E.W. Asplin

Annual Meeting: In Apr.

General Counsel: Cravath, Swaine & Moore, New York.

Auditors: Ernst & Whinney.

No. of Stockholders: Feb. 22, 1985, Pfd., Com., 15,500.

No. of Employees: Dec. 29, 1984, 9,735.

Office: 4701 Marburg Ave., Cincinnati, OH 45209. Tel.: (513)841-8100.

Unfilled Orders (\$000 omitted):

	12/31/84	12/31/83	12/31/82
As of	317,400	224,000	224,000

Consolidated Income Account, years ended (\$000 omitted):

	12/31/84	12/31/83	12/31/82
Sales	660,517	559,017	559,017
Interest inc.	13,804	13,373	13,373
Oth. inc., net	507	1,182	1,182
Total	674,828	573,572	573,572
Cost of sales	515,530	461,557	461,557
Sell, etc., exp.	114,871	117,665	117,665
Prov. for loss etc.	4,231	.....	.....
Interest, etc.	22,779	14,964	14,964
Fgn. curr. loss	1,112	1,317	1,317
Income taxes	22,426	211,652	211,652
Net income	18,731	10,279	10,279
Prev. ret. earn.	244,435	271,254	271,254
Pfd. divs.	240	240	240
Com. divs.	16,697	16,300	16,300
Retain. earn.	224,629	244,435	244,435
Earn., pfd. sh.	\$312.18	.....	.....
Earn., com. sh.	0.80	\$80.46	.....

CHROMALLOY AMERICAN CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

Issue

1. Long Term Debt

CAPITAL STOCK

Issue

1. \$5 cum. conv. preferred

2. Common

[1] Subject to change; see text. [2] Based on weighted average number of common shs. and common sh. equivalents, as reported by Co. on continuing oper.

HISTORY

Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Company has acquired a number of companies in the metal fabrication, transportation, apparel, petroleum services, farm and industrial/commercial products businesses, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1981 Industrial Manual.

In July, 1981, Company acquired Flowers Marine Group for common stock, promissory notes and cash.

Under its "divestment program," Company has sold or liquidated 53 businesses from 1978 to present. During 1981 Company has divested of the following operating units: Industrial Testing Labs, Hawk Bilt, Jefferson Construction, Servus Rubber-Vinyl Division, and Leon Ferenbach. Company has 25 additional businesses planned for disposal in the following business sectors: farm equipment, industrial/commercial products, foundries and trucking. In accordance with Accounting Principles Board Opinion No. 30, Company has reclassified

these businesses as "discontinued operations" for financial reporting purposes. However, they will remain in operation until sold. The divestment program is anticipated to be substantially completed in 1983.

SUBSIDIARIES

Following are significant subsidiaries of the Co. and their jurisdiction of organization. All are wholly-owned.
American Transit Corp. (Mo.)
Albe, S.A. (Switzerland)
The Saval Group, Inc. (R.I.)
Sabine Towing & Transportation Co., Inc. (Del.)
Cro-Marine, Inc. (Del.)
The Valley Line Co. (Del.)

Industry Segment Financial Data

Following is summary financial information for the above reportable industry segments for the last three years (in thousands of dollars):

	1981	1980	1979
Net sales & oper. revenues:			
Metal Fabr.	287,189	272,097	228,108
Transp.	328,143	265,555	236,873
Apparel	216,548	210,450	207,192
Petroleum Services	240,641	234,788	234,073
Total	1,072,521	982,890	906,246

Insurance	\$132,941
Finance	16,693
Real Estate	3,262

nies design and manufacture women's apparel, manufacture men's apparel and operate retail stores.

Financial Services includes non-consolidated property-casualty insurance, finance, leasing and real estate subsidiaries.

PROPERTIES

Chromalloy occupies manufacturing or service facilities, office and warehouse space in 46 states and the District of Columbia and 11 foreign countries.

MANAGEMENT

Officers
N.E. Alexander, Chmn. & Chief Exec. Off.
W.E. Stevens, Pres. & Chief Oper. Off.
T.G. Barnett, Exec. Vice-Pres.—Fin., Chief Fin. Off.
T.E. Monroe, Exec. Vice-Pres.—Corp. Development.
W.B. Roberts, Exec. Vice-Pres.—Admin., Gen. Counsel & Sec.
A.W. Clubb, Vice-Pres.—Pers. & Admin.
C.K. Sherman, Treas.
D.J. Warmbrodt, Contr.

Directors
(Showing Principal Corporate Affiliations)
Norman E. Alexander, Chairman of the Board & Chief Exec. Off. of Co.; Chairman & Chief Exec. Off., Sun Chemical Corp.
Robert Bennett, Chairman & Chief Exec. Off., Chromalloy Textile Apparel Group
A. Leon Fergenson, Chairman of Exec. Committee, GK Technologies, Inc.
Dominick J. Giacomini, Retired, Former Chairman of American Transit Corp.

Interest Dates	Call Price	Price Range	
		1981	1980
.....			
Divs. per Sh.	Call Price	Price Range	
		1981	1980
1981	1980		
100.00	\$5.00	108 1/2	175
1.10	1.10	28 1/4	16 1/4
.....			
Equivalents, as reported by Co. on continuing oper.			
① Operating earnings:			
Metal Fabr.	46,544	41,215	31,111
Transp.	52,628	44,766	40,000
Apparel	13,302	13,406	11,111
Petroleum Services	25,939	15,779	

Operating earnings:

Metal Fabr.	46,544	41,215
Transp.	52,628	44,766
Apparel	13,302	13,406
Petroleum Services	25,939	15,799

Total 138,413 115,186
[1] Operating earnings represent total revenue costs and expenses, including gain (loss) on disposal of businesses. In computing operating earnings, of the following items have been added or deducted: general corporate expenses, interest expense, income taxes and equity in net earnings of nonconsolidated subsidiaries.

Financial Services

Industry segment data pertaining to the Financial Services Group for the last three years is presented below. This data is not included in the consolidated industry segment data presented above as Chromalloy accounts for investment in these nonconsolidated subsidiaries under the equity method of accounting and reports its investment in and equity in earnings of the Financial Services Group on a one-line basis in the consolidated financial statements.

Operating Earnings (Loss)	Year Ended December 31,
1981	1980
\$(21,537)	\$1,920
4,369	4,086
(385)	(151)
\$(17,553)	\$5,855

[1] Operating earnings represent earnings before income taxes and realized investment gains for the insurance subsidiary and earnings before income taxes for the finance subsidiary and real estate subsidiaries.

BUSINESS

Chromalloy is a multi-industry business which produces and sells broad range of products and services through operating companies in five industry segments. The five reportable industry segments and a description of the business conducted by each follow:

Transportation: companies include the second largest covered barge line operation in the U.S., a fleet of deep-sea tankers, the nation's leading manufacturer of bus and truck seats, the largest new and used bus dealer in the U.S., a strong business in bus replacement parts, and a professional management firm for city transit systems.

Metal Fabrication: includes 18 Gas Turbine plants used in the development and use of advanced metallurgical and manufacturing processes to build, repair and coat blades, vanes and other metal components of jet engine compressors and turbines; other companies paint coils of sheet steel for building panels and appliances, and manufacture heat transfer devices, radiators and automatic precision machine tools.

Petroleum Services: companies include leading producers of specialized oil field and other equipment and a division which produces, markets and services well drilling mud products and chemicals.

Apparel: companies include two textile mills which produce and process cotton and cotton blend fabrics and other textiles; other compa-

Andrew A. Kole, Pres. & Chief Executive of Chromalloy Farm & Industrial Equipment Group

Allan Kramer, General Counsel, Deloitte Haskins & Sells

Stuart Z. Krinsky, Exec. Vice Pres. & Counsel, Sun Chemical Corp.

Jack G. Merrell, General, USAF (Retired)

Frank P. Nykiel, Retired Pres. & Chief of Co.

F. Van S. Parr, Partner, Whitman & Rans (Law Firm) New York, N.Y.

William E. Stevens, Pres. & Chief Oper. Off. Co.

Craig Stevenson, Chairman & Chief of Co., Chromalloy Transport-Marine Group

Fred R. Sullivan, Chairman of the Board, Pres., Kidde, Inc.

Sidney Traurig, Chairman & Chief Exec. of Chromalloy Building Products Group

Auditors: Peat, Marwick, Mitchell & Co.

Shareholder Relations: Ralph E. Suds

Director Meetings: Every other month.

Corporate Counsel: Whitman & Rans Esqs., N.Y.

No. of Stockholders: Dec. 31, 1981: Preferred, 2,723; common, 11,754.

No. of Employees: Dec. 31, 1981, 18,300.

Executive Office: 120 South Central Ave., Louisville, MO 63105. Tel.: (314)726-9200.

INCOME ACCOUNTS

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(taken from reports filed with the Securities and Exchange Commission and other Company reports)
(in thousands of dollars)

	1981	1980	1979	1978	1977
Net sales	827,562	791,902	741,694	644,581	572,120
Operating revenues	244,959	190,988	164,552	134,234	120,120
Net sales and oper. rev.	1,072,521	982,890	906,246	778,815	692,240
Other income	7,366	9,926	6,720	6,548	6,440
Total	1,079,887	992,816	912,966	785,363	698,680
Costs and expenses:					
[1] Cost of sales	605,408	593,959	569,867	482,908	424,100
[1] Cost of operating rev.	186,163	144,916	124,661	106,051	94,100
[1] Selling, admin. and gen.	165,181	153,567	138,030	122,650	106,051
Interest	45,984	42,698	35,998	29,608	24,100
Other	2,872	1,993	8,453	3,406	3,406
Earn. from cont. oper. bef. inc. taxes and equity in net earn. of Fin. Serv. Group	74,279	55,683	35,957	40,740	34,100
[2] Income taxes	24,709	24,584	16,311	17,703	17,703
Earn. from cont. oper. of Chromalloy and consol. sub.	49,570	31,099	19,646	23,037	16,397

INCOME ACCOUNTS (Cont'd):

	1981	1980	1979	1978	1977
Equity in net earn. (loss) of Fin. Serv. Group	(7,124)	25,221	3,726	1,105	792
Earn. from cont. oper.	42,446	36,320	23,372	24,142	23,926
Discont. oper.:					
Earn. (loss) from oper., net of inc. taxes (benefits)	(10,175)	4,305	13,063	15,885	13,646
Gain (loss) on disp. of assets, net of inc. taxes (benefits)	(19,658)	(1,578)	7,892	(88)	
Earn. (loss) from discont. oper.	(29,833)	2,727	20,955	15,797	13,646
Net earnings	12,613	39,047	44,327	39,939	37,572
Reinvested earnings, beg. of year	246,681	227,430	203,187	180,932	160,650
Accum. earnings of pooled subsidiary		612		1,167	
Preferred cash dividends	4,249	5,165	6,523	7,012	4,967
Common cash dividends	16,344	15,243	13,561	11,839	10,258
Reinvested earnings, end of yr.	258,701	246,681	227,430	203,187	182,997

SUPPLEMENTARY P. & L. DATA

Maintenance & repairs	29,787	27,244	21,607	36,724	32,074
Includes related portions of items shown under "Supplementary P. & L. Data" below statement.					
1981-80 comprised of (in \$000):					
U.S. Federal:	1981	1980			
Current	7,025	20,814			
Deferred	13,969	689			
Foreign	616	962			
State & local	3,099	2,119			
Total	24,709	24,584			
In 1981, income tax expense was reduced primarily as a result of investment tax credits, resulting in an effective tax rate of 33.3%.					
Under most restrictive covenants of Co.'s loan agreements, at Dec. 31, 1981 approx. \$23,200,000 of reinvested earnings were unrestricted as to payment of cash dividends and purchase, redemption or retirement of capital stock. As the result of correction of an error, the Co. was not in compliance with certain debt covenants. As of 6-21-82, compliance of the covenants was achieved through receipt of waivers from the applicable creditors.					
Restated to reflect change in method of accounting for foreign currency translations, compensated absences, discontinued operations, correction of an error, and to conform to 1981 presentation.					
Consolidated Statement of Changes in Financial Position, years ended Dec. 31 (\$000):					
Working capital provided:					
Continuing operations:	1981	1980			
Earn. from cont. oper.	\$42,446	\$36,320			
Deprec. and amort.	34,366	30,254			
Deferred inc. taxes	14,004	1,004			
Equity in net (earn.) loss of Fin. Serv. Group	7,124	(5,221)			
Other, net					
Work. cap. prov. by cont. oper.	97,940	62,357			
Discontinued operations:					
Earnings (loss) from discont. oper.	(29,833)	2,727			
Deprec. and amort.	8,720	10,651			
Deferred inc. taxes	(7,376)	5,247			
Prov. for loss on net non-curr. assets	16,286				
Other	449	169			
Work. cap. prov. (used) by discont. ops.	(11,754)	18,794			
Total	86,186	81,151			
Issuance of long-term debt	127,931	69,820			
Long-term debt of purch. cos.	26,575	717			
Disposal of non-current assets, net:					
Continuing operations:					
Property and equip.	10,756	29,070			
Other, net	(142)	1,356			
Discontinued oper.:					
Prop. and equip.	13,821	3,071			
Other, net	3,332	(1,717)			
Total					
Com. stock, issued in connection with:					
Business combinations			9,000		933
Stock plans			711		2,349
Deprec. in l.-t. receiv. and other assets			6,651		
Incr. in other liabilities			6,395		
Effect of exch. rate changes on work. cap.					
Decrease in working capital			26,309		
Working capital used:					
Add. to prop. and equip.			\$150,004		\$93,924
Prop. and equip. of purch. co.'s			55,518		1,312
Reduction of long-term debt			84,882		56,061
Cash dividends			20,593		20,408
Invest. in and adv. to Fin. Serv. Group			3,449		6,517
Incr. in l.-t. receiv. and other assets					4,630
Effect of exch. rate changes on work. cap.			2,680		448
Other			399		128
Incr. in work. cap.					3,322
Total			\$317,525		\$186,750

BALANCE SHEETS

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

(taken from reports filed with the Securities and Exchange Commission and other Company reports)

(in thousands of dollars)

ASSETS	1981	1980	1979	1978	1977
Cash	41,212	34,295	31,095	18,072	14,335
Receivables, less allow.	117,110	163,622	188,479	181,940	146,171
Inventories	153,412	256,402	249,302	241,147	202,284
Prepaid exp. and other curr. assets	32,079	29,605	28,091	19,350	11,674
Curr. assets of discont. oper., net	61,911				
Total current assets	405,724	483,924	496,967	460,509	374,464
Net prop. and equip.	470,400	399,681	377,201	360,795	324,140
Invest. in and adv. to Financial Serv. Group	41,481	45,399	33,743	26,682	8,004
Long-term receiv.	1,382	5,596	9,120	11,049	14,551
Other assets	10,409	17,961	12,736	10,311	12,198
Excess of cost over fair value of net assets acquired	12,049	17,521	18,782	26,208	20,730
Non-curr. assets of discont. oper., net	30,731				
Total	972,176	970,082	948,549	895,554	754,087
LIABILITIES					
Notes payable	782	3,878	4,955	2,239	3,960
Curr. mat. of l.-t. debt	29,602	26,098	33,417	31,489	27,645
Accounts pay.	81,825	123,283	134,229	130,169	97,358
Accrued salaries and wages	19,709	27,017			
Other accr. exp.	51,007	48,146	72,348	55,996	42,547
Dividends pay.	5,196	5,113	5,081	4,994	4,246
Income taxes	13,456	19,933	23,603	24,953	13,657
Total current liabilities	201,577	253,468	273,633	249,840	189,413
Long-term debt	336,714	286,362	274,557	284,394	256,700
Other liabilities	14,184	14,327	10,375	9,318	9,302
Deferred income taxes	40,807	34,179	27,928	26,721	19,463
\$ cum. conv. preferred stock (par \$1)	821	1,009	1,215	1,451	1,214
Common stock (par \$1)	15,162	14,008	12,949	11,474	10,967
Other cap. ascribed to shares	120,708	112,362	110,545	101,212	81,787
Reinvested earnings	238,701	246,681	227,430	211,585	182,997
Net foreign curr. trans. adj.	3,750	7,691	9,840	7,896	2,244
Cumul. effect of change in acctg. method				(2,065)	
Net unrealized invest. gains (losses)	(248)	(5)	77	61	
Net stockholders' equity	378,894	381,746	352,056	331,614	279,209
Total	972,186	970,082	948,549	901,887	754,087
Net current assets	204,147	230,456	223,334	210,669	185,051
PROPERTY ACCOUNT—ANALYSIS					
Additions at cost:					
Companies purchased	67,121	1,312	2,342	13,659	29,992
Other	150,004	93,924	79,858	66,323	61,681
Retirements or sales	55,667	58,048	64,720	23,417	19,701
Foreign curr. trans. adj.	(3,303)	(2,621)	936		
DEPREC. RESERVE—ANALYSIS					
Additions:					
Companies purchased	11,603		309	3,303	11,419
Charged to costs & expenses	42,269	39,456	35,650	32,853	28,538
Retirements	31,090	25,907	34,228	15,333	11,503
Foreign curr. trans. adj.	(1,479)	(1,462)			

(1) Less allowances (1981, \$4,838,000).
 (2) The Co. values inventories principally at the lower of cost or replacement market. During 1980 Co. adopted the last-in-first-out method of valuation for approx. 73% of its inventories. 1981 continuing companies comprised of: Raw materials and supplies, \$40,270,000; work-in-process, \$31,494,000; finished goods, \$97,845,000; allowance to reduce carry value to LIFO basis \$16,197,000; total, \$153,412,000.
 (3) 1981 comprised of (in \$000):

Land and improv.	Cost
Bldgs. and improv.	11,118
Mach. and equip.	79,973
Transportation	171,418
equip.	413,384
Constr. in progress	11,896
Total	687,789
Less accum. deprec.	217,389
Net prop. & equip.	470,400

(4) Net of income taxes.
 (5) Restated to reflect change in method of accounting for foreign currency translations; compensated absences, discontinued operations, correction of an error, and to conform with 1981 presentation.

General Notes

(a) Principals of Consolidation—The consolidated financial statements include the accounts of Co. and all subsidiaries in which Co. has in excess of 50% ownership, except those wholly-owned subsidiaries included in the Financial Services Group, which are accounted for by the equity method. The Financial Services Group consists of property-casualty insurance subsidiaries included in The Saval Group, Inc.; a finance subsidiary, Chromalloy Finance Corporation; and a real estate subsidiary, The Centor Company. All significant intercompany transactions and accounts have been eliminated.

FINANCIAL & OPERATING DATA Statistical Record

	1981	1980	1979	1978
Earned per share—pfd.:				
(2) Continuing oper.	\$51.68	\$36.00	\$19.23	\$16.64
(2) Net income	\$15.36	\$38.70	\$36.48	\$27.52
Earned per share—common:				
On year-end shares:				
(2) Continuing oper.	\$2.52	\$2.22	\$1.30	\$1.49
(2) Net income	\$0.53	\$2.42	\$2.92	\$2.86
On ave. shares—primary:				
(1)(2) Continuing oper.	\$2.59	\$2.25	\$1.37	\$1.51
(1)(2) Net income	\$0.57	\$2.45	\$3.09	\$2.89
On ave. shares—fully diluted:				
(1)(2) Continuing oper.	\$2.34	\$2.03	\$1.34	\$1.02
(1)(2) Net income	N.A.	\$2.19	\$2.55	\$1.96
Dividends declared per share:				
\$5 cum. conv. preferred	\$5.00	\$5.00	\$5.00	\$5.00
Common	\$1.10	\$1.10	\$1.10	\$1.05
Price range—\$5 cum. conv. pfd.	108½-75	101½-62½	95-65	94¼-61½
—common	28¼-16¼	26¼-14½	24¼-15½	24¼-14½
(2) Net tang. assets per sh.—\$5 conv. pfd.	\$446.68	\$360.98	\$282.48	\$206.09
—common	\$24.19	\$26.00	\$26.51	\$26.06
Times charges earned:				
(2) Before income taxes	2.46	2.43	2.10	2.41
(2) After income taxes	1.92	1.85	1.65	1.82
(2) Times charges & pfd. div. earned—cont. co.	1.76	1.65	1.40	1.47
(2) Net tang. assets per \$1,000 lg.-tm. debt	\$2,089	\$2,272	\$2,250	\$2,052
(2) Net curr. assets per \$1,000 lg.-tm. debt	\$606	\$805	\$813	\$740
Number of shares—\$5 cum. conv. pfd.	821,278	1,008,982	1,215,235	1,451,179
—common (year-end)	15,162,369	14,007,886	12,948,547	11,474,336
—common (average—primary)	14,758,000	13,777,000	12,207,000	11,377,000
—common (aver.—fully diluted)	18,160,000	17,897,000	17,383,000	16,825,000
Financial & Operating Ratios				
(2) Curr. assets + curr. liab.	2.01	1.91	1.82	1.84
(2) % cash & sec. to curr. assets	10.16	7.09	6.26	3.92
(2) % invent. to curr. assets	37.81	52.98	50.16	52.37
(2) % net curr. assets to net worth	53.88	60.37	61.68	64.67
(2) % prop. deprec.	31.61	39.81	39.66	40.68
(2) % annual deprec., etc. to gross prop.	4.90	6.48	6.12	5.94
Capitalization:				
(2) % long term debt	49.2	45.0	46.0	49.3
(2) % preferred stock	.11	.15	.18	.23
(2) % common stock & surplus	50.73	54.84	53.85	50.51
(3) Sales + inventories	6.99	5.92	6.16	5.79
(3) Sales + receivables	9.16	9.28	8.15	7.68
(3) % sales to net property	228.00	379.80	407.34	387.15
(3) % sales to total assets	110.32	156.48	161.98	155.97
(3) % net income to total assets	4.37	4.03	4.67	5.17
(3) % net income to net worth	11.20	10.23	12.24	14.23
(2) Analysis of Operations				
Net sales & oper. rev.	99.32	99.00	99.26	99.17
Other income	.68	1.00	.74	.83
Total	100.00	100.00	100.00	100.00
Cost of sales & oper. exp.	73.30	74.42	76.07	74.99
Selling, admin. & gen. exp.	15.30	15.47	15.12	15.62
Interest exp.	4.26	4.30	3.94	3.77
Other exp.	.26	.20	.93	.43
Inc. bef. inc. taxes & equity in net inc. of Fin. Serv. Group	6.88	5.61	3.94	5.19
Income taxes	2.29	2.48	1.79	2.26
Net inc. of Chromalloy & consol. subs.	4.59	3.13	2.15	2.93
Equity in net inc. of Financial Serv. Group	(.66)	.53	.41	.14
Net inc. from cont. ops.	3.93	3.66	2.56	3.07
Inc. from discontin. oper.	(2.77)	.27	2.30	2.01
Net income	1.17	3.93	4.86	5.06

(1) Based on weighted average number of common shares and common share equivalents as reported by Company.
 (2) Restated to reflect change in method of accounting for foreign currency translations, compensated absences, and discontinued operations, and to 1981 presentation.

(3) 1981 ratios are based on continuing company sales and net income to continuing company inventories, receivables, and net property, and total assets and net worth. 1980-1977 ratios are based on total company amounts. Amounts have been restated to reflect change in method of accounting currency translations and compensated absences.

(b) Inventories—Inventories are stated at the lower of cost or market. Cost is determined under the last-in, first-out (LIFO) method for most domestic inventories and under the first-in, first-out (FIFO) method for remaining inventories. Prior to 1980 cost of all inventories was determined under the FIFO method.

(c) Property & Equipment—Interest costs on certain assets constructed for Co.'s own use are capitalized. Assets held under capitalized leases are carried at the lesser of the present value of minimum future lease payments or fair value of the leased property at inception of the lease.

Depreciation and amortization are computed primarily using the straight-line method at rates considered adequate to amortize the cost of assets over their estimated useful lives. Capitalized leases are amortized over their respective terms.

(d) Excess of Cost over fair value of Net Assets Acquired—The excess of cost over fair value of net assets acquired relates to the purchase of companies subsequent to 1970 and is being amortized over 40 years on a straight-line basis.

(e) Foreign Currency Transactions—The assets and liabilities of operations with foreign functional currencies are translated into U.S. dollars at current exchange rates. Revenues and expenses are translated at average exchange rates during the year. The resulting net translation adjustments for each period are accumulated and included as a separate component of shareholders' equity. The accumulated amount is included in results of operations at the date of liquidation or sale of the related entity.

(f) Pension Plans—Various contributory and non-contributory pension plans cover certain hourly and substantially all salaried em-

ployees. Unfunded prior service cost being accrued and funded principally over periods from 20 to 40 years.

(g) Income Taxes—Investment tax are accounted for using the "flow-through" method, which recognizes the tax benefit for the year the related assets are placed in service.

No provision is made for taxes which be payable if undistributed earnings of foreign subsidiaries were remitted to parent co. inasmuch as such earnings are reinvested in the businesses and are, therefore, not currently available for dividends. Such undistributed earnings are material in relation to the consolidated financial statements.

Auditors Report

The following is an excerpt from the report of Independent Auditors, Peat, Marwick, Mitchell & Co., from the 1981 Annual Report as amended.

"In our opinion, the aforementioned consolidated financial statements, restated as described in Note 18 thereto, present a financial position of Chromalloy Air Corporation and subsidiaries as of December 31, 1981 and 1980 and the results of their operations and changes in their financial position for each of the years in the three year period ended December 31, 1981, in conformity with generally accepted accounting principles consistently applied during the period except for the change, with which we concur, in the methods of valuing inventories, and a statement for the changes, with which we concur, in the methods of accounting for currency translation and compensated absences as described in Note 3 to the consolidated financial statements."

LONG TERM DEBT

Outstanding Dec. 31, 1981 \$387,376,000 consists of the following:

- (1) \$105,000,000 9.47% insurance company loan, unsecured, payable in annual installments of \$7,000 in 1984 thru 1998.
- (2) \$20,000,000 12½% insurance company loan, unsecured, payable in annual installments of \$1,176 in 1984 thru 2000.
- (3) \$58,639,000 10.4% first preferred ship mortgage payable in varying amounts thru 1993.
- (4) \$94,661,000 17.2% unsecured bank loans payable in varying amounts thru 1985.
- (5) \$21,516,000 8.3% mortgage notes and equipment obligations, payable in varying amounts thru 1996.
- (6) \$30,007,000 3.8% to 9.9% industrial development bonds secured by real estate, machinery and equipment.
- (7) \$11,665,000 7.2% to 8.4% United States Government insured Merchant Marine Bonds, payable thru 1992.
- (8) \$29,891,000 17.2% capitalized lease obligations payable to CFC in varying amounts thru 1986.
- (9) \$8,722,000 10.0% other unsecured debt, payable in varying amounts through 1993.
- (10) \$7,275,000 bank loans (16.5% average interest rate) payable in varying amounts through 1986.

The debt, secured by certain transportation equipment, is not guaranteed by Co.

Company's loan agreements contain covenants which restrict payment of cash dividends and purchase, redemption or retirement of capital stock. Under most restrictive of covenants, unrestricted portion of consolidated reinvested earnings at Dec. 31, 1981 amounted to approximately \$23,200,000. Loan agreements also contain restrictive covenants which, among other things, require Company to maintain certain minimum amounts of working capital and not to exceed stipulated ratios of debt to capitalization. Property and

equipment having an aggregate net carrying value of approximately \$240,167,000 at Dec. 31, 1981 is pledged as collateral under loan agreements.

In addition to the above-mentioned restrictions imposed on the Company by loan agreements, certain of the Company's consolidated and nonconsolidated subsidiaries are also subject to restrictions. Loans, advances and cash dividends to the parent are limited under covenants contained in their respective loan agreements and to a much lesser extent, foreign government regulations. At December 31, 1981, restricted net assets of these consolidated and nonconsolidated subsidiaries aggregated approximately \$110,000,000 and \$30,000,000, respectively.

As a result of the adjustment for correction of an error, the Company was not in compliance with certain debt covenants. As of June 21, 1982, compliance with these covenants was achieved through receipt of waivers from the applicable creditors.

CAPITAL STOCK

1. Chromalloy American Corp. \$5 cumulative convertible preferred; par \$1.

AUTH.—All series: 1,825,000 shs.; outstanding Dec. 31, 1981, 821,278 shs.; par \$1.

PREFERENCES—Has preference for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.

DIVIDEND RECORD—Regular dividends paid.

DIVIDEND REINVESTMENT PLAN—See under common below.

LIQUIDATION RIGHTS—In liquidation, entitled to \$41.62 a sh. if involuntary; if voluntary, redemption price plus divs.

VOTING RIGHTS—Has 1 vote per sh.

CALLABLE—As a whole or in part, to each June 30, incl., as follows (in \$):

1979	104	1982	103	1985	102
1988	101				100

Beginning July 1, 1988.

CONVERTIBLE—Into com. at rate of 3.888 com. shs. per pfd. sh.

TRANSFER AGENTS—Citibank, N.A., NYC; Mercantile Trust Co., N.A., St. Louis, Mo.

REGISTRARS—Citibank, N.A., NYC; Center Trust Co. of St. Louis.

LISTED—On NYSE (Symbol: CRO Pr).

2. Chromalloy American Corp. common; par \$1:

Authorized, 30,000,000 shares; outstanding, Dec. 31, 1981, 15,162,369 shares; reserved for options, 197,980 shares; reserved for conversion of preferred, 3,193,236 shares; par \$1.

As of Mar. 19, 1982 Sun Chemical Corp. owned 5,513,558 shs. (36.3%).

Ten cent par shares split 3-for-2 split Sept. 15, 1967; par changed from \$0.10 to \$1 by 3-for-2 split Nov. 20, 1968.

One vote per share. No preemptive rights.

Dividends (since 1961):

1961	Nil	1962-63	Nil	1964	Nil
1965	\$0.40	1966	\$0.50	1967	\$0.47½

After 3-for-2 split:

1967	0.12½	1968	0.59
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On \$1 par shs. after 3-for-2 split:

1969	0.44	1970	0.50	1971	0.55
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1972	0.60	1973	0.62½	1974-75	0.70
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1976	0.80½	1977	0.92	1978	1.02½
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1979-80	1.10	1981	1.10	1982	0.72½
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Paid stock dividends: 1961, 4%; 1964, 5%.

To Aug. 2.

Dividend Reinvestment Plan: Company offers dividend reinvestment plan for preferred and common dividends. The plan allows shareholders to automatically reinvest their dividends in additional common shares.

Transfer Agents: Citibank, N.A., NYC; Mercantile Trust Co. N.A., St. Louis, Mo.

Registrars: Citibank, N.A., NYC; Center Trust Co. of St. Louis.

Listed: On NYSE (Symbol: CRO).

CHROMALLOY AMERICAN CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

CAPITAL STOCK

1. Long Term Debt

2. Common

3. Subject to change; see text.

4. Based on weighted average number of common shs. and common sh. equivalents, as reported by Co. Earned per sh. fully diluted: 1980, \$2.49; 1979, \$2.91.

HISTORY

Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Co. has acquired a number of companies, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1973 Industrial Manual.

On Oct. 3, 1977, merged Aaron Brothers Corp. thru issuance of 0.16667 shs. \$5 conv. pfd. for each Aaron com. sh.

In 1978, Co. issued com. stk. in connection with the merger with Sturm Companies accounted as pooling of interests.

In Jan. 1978 acquired Laser Link Corp. for approximately 163,491 common shares; also in Jan. 1978 acquired O'Neal, Jones & Feldman Inc. for 75,764 shares of \$5 convertible preferred.

In Mar. 1978, acquired Lee-tex Value and Manufacturing, Inc. for com. stk.

In Apr. 1978 acquired American Universal Insurance Co., Providence, RI for cash, notes and preferred stock.

In Apr. 1978, acquired Jefferson Construction for cash and notes.

In July 1978 acquired Campus Casuals of California for 200,737 shs. of Co.'s \$5 cum. conv. pfd. stk. and acquired McBride's Express Inc., a Mattoon, Ill. based common-carrier, for shs. of Co.'s \$5 cum. conv. pfd. stk.

In Mar. 1979, acquired Gas Turbine Corp. for cash and com. stk.

In Oct. 1979, acquired B&M Machine Co. for com. stk.

In Jan. 1980, acquired ERK Manufacturing Co. for common stock.

In Feb. 1980, acquired Intercon Sales Co. for cash.

In June 1980, acquired remaining 50% of Progress Coat Shop for common stock.

In Sept. Co. sold Chromalloy Natural Resources Co.'s service Group to Delta Service Industries for \$31,000,000.

In Oct. 1980, acquired Sterling Electronics for cash.

Under Co.'s divestiture program, Co. has, as of Dec. 1980, divested the following operating units: Chromalloy Photographic, Clair Manufacturing Co., Inc., The Colony Hotel, Cromed Bionics, Industrial Blueprint Corp., Yukon Radio, Jetshapes, Chromalloy Chemical Division, Ardco Finishing, Alamo Welding Supply, Gulfco Shipyard, Burns-Biotec, Fulton Manufacturing, Cooper Drug, Chromalloy Beverage, Airtravelers Service Center, Burns Veterinary Supply Ltd., Monitron Industries, Chromalloy Europa Trading Division, Carter Glogau, Chromalloy Laboratories, Alamo Steel, Italvibras, Jim Doyle, Prairie Blades Ltd., Chromalloy Shunk Blades, Miller Timber, Chicago Grey Line, M. Brown, Chromalloy Crescent, Midwest Card, Cheerful House, Scientific Associates, Arlon, Delta Shipyards, Delta Fabrication, Chromalloy Pipe & Steel, Delta Safety & Supply, Delta Construction and Heidenbrand.

SUBSIDIARIES

Following are significant subsidiaries of the Co. and their jurisdiction of organization. All are wholly-owned.

American Transit Corp. (Mo.)
Missouri River Barge Lines, Inc. (Kans.)
The Saval Group, Inc. (R.I.)
Sabine Towing & Transportation Co., Inc. (Del.)

Security Barge Line, Inc. (Miss.)
The Valley Line Co. (Del.)

Industry Segment Financial Data
Following is summary financial information for the above reportable industry segments for the last three years (in thousands of dollars):

INCOME ACCOUNTS

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(taken from reports filed with the Securities and Exchange Commission and other Company reports)

	1980	1979	1978	1977	1976	1975	1974
Net sales & operating revenues	1,518,004	1,536,489	1,396,811	1,134,856	937,262	791,400	787,654
Other income	12,852	16,552	9,383	6,705	4,883	4,642	8,012
Total	1,530,856	1,553,041	1,406,194	1,141,561	942,145	796,042	795,666
Cost of sales & operating expenses	1,152,870	1,170,083	1,026,669	886,796	689,175	583,364	585,942
Selling, admin. & general exp.	258,359	259,332	264,543	160,177	169,857	147,511	136,247

Net sales & oper. revenues:

	1980	1979	1978
Metal Fabr.	363,151	329,900	267,582
Transp.	274,454	244,096	194,729
Apparel	224,872	224,535	205,630
Farm Equip.	117,579	164,020	129,740
Petroleum Services	234,787	234,020	212,593
Ind./Comm. Prod.	303,161	339,865	386,537

Total	1,518,004	1,536,489	1,396,811
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Operating earnings:			
Metal Fabr.	42,472	38,664	36,862
Transp.	44,104	40,170	24,908
Apparel	13,058	12,809	17,043
Farm Equip.	3,969	13,838	12,590
Petroleum Services	15,967	7,599	15,831
Ind./Comm. Prod.	14,612	26,278	21,628

Total	134,182	139,358	128,862
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Operating earnings represent total revenue less costs and expenses, including gain (loss) on disposal of businesses. In computing operating earnings, none of the following items have been added or deducted: general corporate expenses, interest expense, income taxes and equity in net earnings of nonconsolidated subsidiaries.

Financial Services

Industry segment data pertaining to the Financial Services Group for the year ended Dec. 31, 1980 is presented below. This data is not included in the consolidated industry segment data presented above as Chromalloy accounts for its investment in these nonconsolidated subsidiaries under the equity method of accounting and reports its investment in and equity in net earnings of the Financial Services Group on a one-line basis in the consolidated financial statements.

	Insurance	Finance	Real Estate	Combined
Revenues	115,795	15,010	3,098	133,903

Operating earnings (loss)	10,075	4,086	(151)	14,010
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Operating earnings represent earnings before income taxes and realized investment gains for the insurance subsidiary and earnings before income taxes for the finance subsidiary and real estate subsidiaries.

BUSINESS

Chromalloy is a diversified business with a broad range of products and services. The operating management of Chromalloy is organized into six unincorporated operating groups (Chromalloy Metal Tectonics Group, Petroleum Service Group, Chromalloy Transport-Marine Group, Chromalloy Farm and Industrial Equipment Group, Chromalloy Textile/Apparel Group, Chromalloy Consumer and Building Products Group) and a financial services group which are responsible for conducting the businesses of the divisions and subsidiaries assigned. However, in accordance with Statement of Financial Accounting Standards No. 14, Chromalloy has grouped its diversified businesses into seven reportable industry segments, which do not necessarily correspond to operating Group classifications. The seven reportable industry segments and a description of the business conducted by each follow:

Metal Fabrication includes coating of gas turbine components; foundries, prepainting of steel; and steel utility storage buildings.

Transportation includes deep sea tanker operations; inland waterway operations; transit management; trucking; and transit parts and equipment.

Apparel includes manufacture of men's and women's apparel; textiles; and operation of retail stores.

Farm Equipment includes manufacture of silos, and specialized agricultural implements and equipment.

Petroleum Services includes oil field equipment design and construction and various products and services for the petroleum industry.

Industrial/Commercial Products includes laminated, tempered and specialty glass; materials for residential and commercial construction; rubber footwear; distribution of electronic components; and art supply stores.

Financial Services includes non-consolidated insurance, finance, and real estate subsidiaries.

PROPERTIES

Chromalloy occupies manufacturing or service facilities, office and warehouse space in 45 states and the District of Columbia and 11 foreign countries.

MANAGEMENT

Officers
N.E. Alexander, Chmn.
F.P. Nykiel, Pres. & Chief Exec. Off.
T.G. Barnett, Exec. Vice-Pres.—Fin., Chief Fin. Off.
T.E. Monroe, Exec. Vice-Pres.—Corp. Development
W.B. Roberts, Exec. Vice-Pres.—Admin., Gen. Counsel & Sec.
A.W. Chubb, Vice-Pres.—Pers. & Admin.
R.L. Lich, Vice-Pres.—Business Plan.
A.M. Pezzani, Vice-Pres.—Law
C.K. Sherman, Treas.
D.J. Warmbrodt, Contr.

Directors
(Showing Principal Corporate Affiliations)

Norman E. Alexander, Chairman of the Board of Co.; Chairman & Chief Exec. Off., Sun Chemical Corp.

Robert Bennett, Chairman & Chief Exec. Off., Chromalloy Textile Apparel Group

Martin Epler
A. Leon Fergenson, Chairman of Exec. Committee, GK Technologies, Inc.

Dominick J. Glacoma, Retired, Former Chairman of American Transit Corp.

Andrew A. Kole, Pres. & Chief Executive Off., Chromalloy Farm & Industrial Equipment Group

Allan Kramer, General Counsel, Deloitte, Haskins & Sells

Stuart Z. Krinsky, Exec. Vice Pres. & Genl. Counsel, Sun Chemical Corp.

Norman S. London, Partner, London, Greenberg & Fleming (Law Firm) St. Louis, Mo.

Jack G. Merrell, General, USAF (Retired)

E.H. Newman, Retired, Former Vice Chairman of Co.

Frank P. Nykiel, Pres. & Chief Exec. Off. of Co.

F. Van S. Parr, Partner, Whitman & Ransom (Law Firm) New York, N.Y.

Maurice H. Saval, Managing Director, The Saval Group, Inc.

Craig Stevenson, Chairman & Chief Exec. Off., Chromalloy Transport-Marine Group

Fred R. Sullivan, Chairman of the Board & Pres., Kidde, Inc.

Sidney Traurig, Chairman & Chief Exec. Off., Chromalloy Consumer & Building Products Group

Richard L. Wachtell

Auditors: Peat, Marwick, Mitchell & Co.
Shareholder Relations: Ralph E. Sudholt, Mgr., Investor Relations. Tel: (314)726-9200.

Director Meetings: Every other month.

Corporate Counsel: Whitman & Ransom, Esqs., N.Y.

No. of Stockholders: Dec. 31, 1980: Preferred, 3,085; common, 13,123.

No. of Employees: Dec. 31, 1980, 21,400.

Executive Office: 120 South Central Ave., St. Louis, MO 63105. Tel: (314)726-9200.

any computation under such restriction, any sale and leaseback transaction if (a) the lease is for a period, including renewal rights, of not in excess of three years, (b) the sale or transfer of the Principal Property is made within a specified period after its acquisition or construction, (c) the lease secures or relates to industrial revenue or pollution control bonds, (d) the transaction is between the Company and a Restricted Subsidiary or between Restricted Subsidiaries, or (e) the Company or such Restricted Subsidiary, within 180 days after the sale is completed, applies to the retirement of Funded Debt of the Company or a Restricted Subsidiary, or to the purchase of other property which will constitute Principal Property of a value at least equal to the value of the Principal Property leased, an amount not less than the greater of (i) the net proceeds of the sale of the Principal Property leased or (ii) the fair market value of the Principal Property leased. In lieu of applying proceeds to the retirement of Funded Debt, any debentures or notes of the Company or a Restricted Subsidiary may be surrendered to the applicable trustee for cancellation at a value equal to the then applicable optional redemption price thereof; or the Company or a Restricted Subsidiary may credit the principal amount of Funded Debt voluntarily retired within 180 days after such sale.

INDENTURE—MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of notes outstg.

RIGHTS ON DEFAULT—Trustee, or 25% of notes outstg. may declare principal due and payable (30 days' grace for payment of interest).

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds will be used to repay indebtedness incurred in connection with the acquisition of G.H. Bass & Co. and for the repayment of indebtedness incurred for general working purposes.

OFFERED—(\$100,000,000) at 99.75 plus accrued interest (proceeds to Co., 99.10) on July 15, 1980 thru Lehman Brothers, Kuhn Loeb Inc. and associates.

2. Obligations under Capital Leases: Outstg. Dec. 31, 1980, \$14,948 under capital leases for certain manufacturing, warehouse and general office facilities expiring through 2005.

3. Other Long Term Debt: Outstg., Dec. 31, 1980, \$2,197,000 term loans due in various foreign countries with interest rates ranging from 11¼% to 29¼% and various maturity dates, none beyond Jan. 15, 1992.

4. Subsidiary Debt: Outstanding, Dec. 31, 1980, \$13,726,000 comprised of: (1) \$861,000 subordinated convertible debenture 4¼%, due Dec. 31, 1983; (2) \$12,865,000 subordinated convertible debenture 6¼%, due Dec. 15, 1984.

Debentures are debt of Chesebrough-Pond's International Capital Corp., a subsidiary (for description see alphabetical index.)

4¾% and 6¼% debentures are convertible into Co. common stock at \$24.50 per share and \$26.75 per share, respectively. In addition, debentures are subject to annual sinking fund payments of \$850,000 for the 4¾% debentures and \$1,800,000 for the 6¼% debentures. In 1980 and 1979, the sinking fund requirements were satisfied by previously converted debentures as provided in the Trust Agreement, and it is management's present intention to satisfy the 1981 sinking fund requirements in the same manner.

CAPITAL STOCK

1. Chesebrough-Pond's Inc. common; par \$1: AUTHORIZED—50,000,000 shares; outstanding, Dec. 31, 1980, 32,597,799 shares; in treasury, 132,962 shares; reserved for stock award plan, 3,327,725 shares; reserved for conversion of debts., 516,076 shares reserved for Health-Tex option, 19,204 shares; par \$1.

Par changed from \$100 to \$25 Mar. 1924 by 4-for-1 split; from \$25 to \$10 May 1946 by 2½-for-1 split; from \$10 to \$2 May 1960 by 5-for-1 split; from \$2 to \$1 Nov. 1964, by 3-for-1 split; \$1 par shs. split 2-for-1 June 28, 1976.

A majority of the stock was formerly owned by the Standard Oil Co. of New Jersey, but in Sept., 1911, was distributed to that company's stockholders.

DIVIDENDS—

On \$100 shares:			
1900	.....\$26.00	1901	.....\$30.00
1902	.....\$24.00	1903-05	.....18.00
1906	.....21.50	1907-08	.....40.00
1909	.....60.00	1910	.....40.00
1911	.....30.00	1912	.....50.00
1913-15	.....40.00	1916	.....20.50
1917	.....14.00	1918	.....10.50
1919-20	.....14.00	1921	.....10.50
1922	.....14.00	1923	.....17.50
1924	.....3.50		

On \$25 par shares:

1924	.....1.87½	1925	.....3.12½	1926	.....
1927	.....5.50	1928	.....6.00	1929-33	.....
1934	.....11.50	1935	.....6.50	1936-37	.....
1938	.....6.50	1939-41	.....6.00	1942-44	.....
1945	.....6.00	1946	.....1.25		

On \$10 par shares:

1946	.....2.60	1947	.....3.25	1948-49	.....
1950	.....4.00	1951	.....4.25	1952-59	.....
1960	.....0.75				

On \$2 par shares:

1960	.....0.73	1961	.....0.91	1962	.....
1963	.....1.25	1964	.....1.05		

On \$1 par shares:

1964	.....0.15	1965	.....0.62	1966	.....
1967	.....0.78	1968	.....0.86	1969	.....
1970	.....1.01	1971	.....1.04	1972	.....
1973	.....1.12	1974	.....1.24	1975	.....
1976	.....0.38				

On \$1 par shs. (after 2-for-1 split):

1976	.....0.57	1977	.....0.84	1978	.....
1979	.....1.08	1980	.....1.28	1981	.....

1981 To May 1.

Also stock dividends: 1916, 200%; 1924, Note: Company also paid dividends and 1881, and from 1883 to 1899, incl. not reported.

Dividends payable quarterly, Mar. to stock of record about Mar. 1, etc. **DIVIDEND REINVESTMENT** P Company offers its holders of common the opportunity to buy additional common stock through its Automatic Dividend Reinvestment and Optional Cash Plan administered by Morgan Guaranty Trust Co. of New York. Participating owners may invest each month from \$1,000 maximum, in addition to their dividend at their option. Co. pays all brokerage commissions and service charges connected with the Plan.

Under the Plan, the full dividend is optional cash payment of participating owners is automatically applied to the purchase of newly-issued shares priced at average market value on each quarter end payment date for reinvested dividend and after the 25th day of each month Dec. when date is 15th of month) for cash payments.

TRANSFER AGENT, REGISTRAR, IDENT DISBURSING AGENT—Guaranty Trust Co., New York.

LISTED—On NYSE (Symbol: CBM) on London Stock Exchange and Paris

CHESEBROUGH-POND'S INTERNATIONAL CAPITAL CORPORATION

(Controlled by Chesebrough-Pond's Inc.)

History: Incorporated in Delaware on Sep. 6, 1968 as a wholly-owned subsidiary of Chesebrough-Pond's Inc.

Business: Formed to assist in the financing of parent Co.'s foreign operations.

Officers: R.E. Ward, Pres.; D.G. Wiesen, Vice-Pres.; C. Crawford Mills, Jr., Vice-Pres.; G.W. Bieler, Vice-Pres.; R.H. Mann, Sec.; J.D. Powers, Treas.; W.F. Gilroy, Asst. Treas.

Directors: G.W. Bieler, C. Crawford Mills, Jr., R.H. Mann, J.D. Powers, R.E. Ward, D.G. Wiesen.

Auditors: Arthur Young & Co.

General Counsel: R.H. Mann.

Executive Office: 10 East 53rd St., N.Y., N.Y.

Long-Term Debt: 1. Chesebrough-Pond's International Capital Corp. subordinated guaranteed debenture 4¾s, due 1983.

AUTH.—\$12,000,000; outstg., Dec. 31, 1980, \$861,000.

DATED—Dec. 31, 1968. **DUE**—Dec. 31, 1983.

INTEREST—Annually, each Dec. 31. Principal and interest payable in U.S. dollars (a) at office of Morgan Guaranty Trust Co., NYC and (b) subject to applicable laws in the country of the following offices, at offices of Morgan Guaranty Trust Co. in Brussels, Frankfurt/Main, London and Paris; Mees & Hope, Amsterdam; Banca Morgan Vonwiller S.p.A., Milan and Kredietbank S.A. Luxembourg-geoise, Luxembourg. Payments referred to in (b) above will be made by a U.S. dollar check drawn on a bank in NYC or by transfer to a U.S. dollar account maintained by payee with a bank in NYC.

TRUSTEE—Morgan Guaranty Trust Co., NYC.

DENOMINATION—Bearer coupon, \$1,000. **CALLABLE**—As a whole or in part (in amounts of at least \$500,000) on at least 30 days' notice to each Dec. 30, incl., as follows: 1981100¼ 1982100¼ 1983100¼

If at any time Co. or Guarantor becomes obligated to pay additional interest as described under heading "Taxes on Principal, Premium or Interest," as a result of any change in, any change in the official application of, or any amendment thereto, the laws of

the U.S. or any subdivision or taxing authority thereof or therein, or any treaty to which the U.S. is a party, which change or amendment becomes effective on or after Dec. 18, 1968, debts. may be redeemed as a whole on at least 30 days' notice to each Dec. 30, incl., as follows:

1981100¼	1982100¼	1983100¼
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Also callable for sinking fund (which see) at par.

SINKING FUND—Annually, each Dec. 31, to 1982, to retire debts., cash (or debts.), equal to \$850,000; plus similar optional payments.

SECURITY—Direct obligations of Issuer.

GUARANTEED—Unconditionally as to principal, premium and interest by Chesebrough-Pond's Inc.

CONVERTIBLE—Into com. stock of parent at any time (if called on or before redemption date) at \$24.50 a sh. (adj. for 2-for-1 split June, 1976). No adjustment for interest or divs. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

RIGHTS ON DEFAULT—Trustee or 25% of debts. outstg. may declare principal due and payable (30 days' grace for payment of interest).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debts. outstg.

LISTED—On Luxembourg Stock Exchange.

PURPOSE—Proceeds for parent Co.'s foreign operations.

OFFERED—(\$12,000,000) on Dec. 18, 1968 thru Lehman Bros. and associates.

2. Chesebrough-Pond's International Capital Corp. subordinated guaranteed debenture 6¼s, due 1984:

AUTH.—\$25,000,000; outstg., Dec. 31, 1980, \$12,865,000.

DATED—Dec. 15, 1969. **DUE**—Dec. 15, 1984.

INTEREST—Annually, each Dec. 15. Principal and interest payable in U.S. dollars (a) at office of Morgan Guaranty Trust Co., NYC and (b) subject to applicable laws in country of following offices, at offices of Morgan Guaranty Trust Co. in Brussels, Frankfurt/Main, London and Paris; Mees & Hope N.V., Amsterdam; Banca Morgan Vonwiller S.p.A., Milan and Kredietbank S.A. Luxembourg-geoise.

sie, Luxembourg. Payments referred to above will be made by a U.S. dollar drawn on a bank in NYC or by transfer to a U.S. dollar account maintained by payee with a bank in NYC.

TRUSTEE—Morgan Guaranty Trust Co., NYC.

DENOMINATION—Bearer coupon, **CALLABLE**—As a whole or in part (in amounts of at least \$500,000), on at least 30 days' notice to each Dec. 14 incl., as follows: 1979103 1980102½ 1981102 1982101½ 1983101 1984101

If at any time Co. or Guarantor becomes obligated to pay additional interest as described under heading "Taxes on Principal, Premium or Interest," as a result of any change in, any change in the official application of, or any amendment thereto, the laws of the U.S. or any subdivision or taxing authority thereof or therein, or any treaty to which the U.S. is a party, which change or amendment becomes effective on or after 1969, debts. may be redeemed as a whole on at least 30 days' notice, to each Dec. 14 follows:

1979	.....101½	1980	.....101½	1981	.....
1982	.....100¼	1983	.....100¼	1984	.....

Also callable for sinking fund (which see) at par.

SINKING FUND—Annually, each Dec. 15, to 1983, cash (or debts.) equal to \$1,800,000; plus similar optional payments.

SECURITY—Direct obligations of Issuer.

GUARANTEED—Unconditionally as to principal, premium and interest by Chesebrough-Pond's Inc. on a subordinated convertible debenture.

CONVERTIBLE—Into com. stock of parent at any time (if called on or before redemption date) at \$26.75 a sh. (adj. for 2-for-1 split June, 1976). No adjustment for interest or divs., conversion privilege protected against dilution.

OTHER PROVISIONS—Same as above deb. 4¾s, due 1983.

LISTED—On Luxembourg Stock Exchange.

PURPOSE—Proceeds for parent Co.'s foreign operations.

OFFERED—(\$25,000,000) at 100 on 1969 thru Lehman Brothers and associates.

ITEMS (Cont'd):		1980	1979	1978	1977	1976	1975
		51,966	43,358	35,832	27,839	24,687	22,827
		2,904	3,016	4,464	3,649	6,606	4,646
Income taxes & equity in net inc. of v. Group		64,757	77,252	74,616	63,127	51,820	37,694
		29,459	34,036	34,164	26,246	24,012	15,987
Chromalloy & consolidated inc. of Financial Serv. Group		35,298	43,216	40,452	36,881	27,808	21,707
		9,143	7,338	6,968	792	277	.....
Income		44,441	50,554	47,420	37,673	28,085	21,707
Earnings, beg. of year		243,386	212,916	183,180	160,732	144,253	132,478
Earnings of pooled subsidiary		612	1,167	1,167	4,967	3,421	2,925
Cash dividends		5,165	6,523	7,012	10,258	8,185	7,007
Cash dividends		15,243	13,861	11,839	.....	.....	.....
Reinvested earnings, end of yr.		268,031	243,386	212,916	183,180	160,732	144,253
ELEMENTARY P. & L. DATA							
Maintenance & repairs		45,901	40,972	36,724	32,074	25,982	22,584
Taxes, other than income		32,940	33,936	33,334	26,206	21,959	18,588
Advertising costs		9,306	11,372	16,158	12,149	9,758	8,077
Includes related portions of items shown under Supplementary P. & L. Data" below statement.							
1980-79 comprised of (in \$000):							
U.S. Federal:		1980	1979				
Current		20,324	29,986				
Deferred		4,746	878				
Foreign		1,996	645				
State & local		2,393	4,283				
Total		29,459	34,036				
Income taxes were reduced by net investment tax credits of \$2,503,000 in 1980 and \$3,684,000 in 1979.							
Under most restrictive covenants of Co.'s loan agreements, at Dec. 31, 1980 approx. \$29,500,000 of reinvested earnings were unrestricted as to payment of cash dividends and purchase, redemption or retirement of capital stock.							
Includes payroll taxes (1980, \$25,414,000).							
Restated to reflect change in method of accounting for foreign currency translations.							
Includes net gain (loss) on disposal of businesses of \$3,581,000 in 1980 and \$7,775,000 in 1979.							
Restated to conform to 1980 presentation.							
Consolidated Statement of Changes in Financial Position, years ended Dec. 31 (\$000):							
Working capital provided:		1980	1979				
Net earnings		44,441	50,554				
Deprec. and amort.		40,905	37,036				
Def. inc. taxes				6,154	1,207	Working capital used:	
Eq. in net earn. of Fin. Serv. Group				(9,143)	(7,338)	Add. to prop. and equip.	
Net (gain) loss on disp. of bus.				(3,581)	(7,775)	Reduc. of long-term debt	
Other, net				-44	779	Cash div.	
Work cap. prov. by oper.				78,820	74,463	Invest. in and adv. to Fin. Serv. Group .	
Work cap. prov. by disp. of bus.:						Net prop. and equip. of purch. cos.	
Gross proc.				39,922	62,818	Incr. in exc. of cost over fair value of net assets acq.	
Non cur. proc.				(554)	(6,243)	Incr. in long-term receiv. & other assets	
Work. cap. divested				(12,898)	(27,428)	Other	
Iss. of long-term debt				70,537	42,005	Total	
Disp. of prop. and equip., net				8,946	9,760	Incr. in working capital	
Value of com. and pfd. stk. iss. in conn. with bus. comb.				933	3,449		
Value of com. stock iss. to stock plans				2,349	7,583		
Other				1,094	1,279		
Total				189,149	167,686		

BALANCE SHEETS

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

(taken from reports filed with the Securities and Exchange Commission and other Company reports)

		(in thousands of dollars)					
ASSETS		1980	1979	1978	1977	1976	1975
Cash		34,295	31,095	18,072	14,335	15,141	16,372
Receivables		163,622	188,479	181,940	146,171	130,294	121,943
Inventories		256,313	247,856	239,522	202,008	174,412	139,311
Prepaid exp. & other current assets		27,234	25,933	17,487	11,674	8,279	7,382
Total current assets		481,464	493,363	457,021	374,188	328,126	285,008
Non-current receivables		5,791	9,062	10,670	14,304	13,650	10,920
Invest. in & adv. to insur. & fin. subs.		59,374	43,550	33,062	8,004	7,212	.....
Other investments		3,171	5,109	4,196	7,244	6,639	7,336
Net property & equipment		397,460	373,266	356,723	322,914	279,396	244,044
Excess of cost over fair value of net assets acquired		17,054	18,161	25,721	20,406	15,804	14,419
Other assets		14,762	7,609	6,072	4,964	4,427	3,712
Total		979,076	950,120	893,465	752,024	655,254	565,439
LIABILITIES							
Notes payable		.....	.....	.....	.....	12,300	24,710
Foreign credit facilities		3,878	4,955	2,239	3,960	5,400	.....
Curr. mat. of long term debt		26,098	33,417	31,489	27,645	31,701	16,381
Accounts payable		123,283	134,229	130,169	97,358	80,212	61,486
Accrued expenses		72,812	67,852	52,115	42,547	31,939	27,398
Dividends payable		5,113	5,081	4,994	4,246	3,260	2,530
Income taxes		19,933	23,603	24,953	13,657	15,635	6,015
Total current liabilities		251,117	269,137	245,959	189,413	180,447	138,520
Long term debt		286,362	274,557	284,394	256,700	220,073	208,510
Deferred income taxes		34,082	27,928	26,721	19,463	16,933	14,300
Other deferred liabilities		12,110	10,326	9,277	9,300	6,883	4,503
Minority interest in subs.		.....	.....	.....	.....	.....	1,377
\$5 cum. conv. preferred stk. (par \$1)		1,009	1,215	1,451	1,214	871	628
Common stock (\$1 par)		14,008	12,949	11,474	10,967	11,135	10,748
Other capital ascribed to shares		112,362	110,545	101,212	81,787	60,388	44,500
Reinvested earnings		268,031	243,386	212,916	183,180	160,732	146,464
Net unrealized investment gains		(5)	77	61	.....	.....	.....
Total shareholders' equity		395,405	368,172	327,114	277,148	233,126	202,340
Less com. stk. in treasury, at cost		.....	.....	.....	.....	2,208	4,111
Net shareholders' equity		395,405	368,172	327,114	277,148	230,918	198,229
Total		979,076	950,120	893,465	752,024	655,254	565,439
Net current assets		230,347	224,226	211,062	184,775	147,679	146,488
PROPERTY ACCOUNT—ANALYSIS							
Additions at cost:							
Companies purchased		1,312	2,342	13,659	29,992	20,223	.....
Other		93,924	79,858	66,323	61,681	54,137	.....
Retirements or sales		22,312	24,656	14,989	19,701	17,129	.....
Other deductions		35,736	40,064	8,428	.....	2,267	.....
DEPREC. RESERVE—ANALYSIS							
Additions:							
Companies purchased		171	309	3,303	11,419	6,110	.....
Charged to costs & expenses		38,730	34,856	32,853	28,538	24,663	.....
Retirements or sales		13,366	14,896	12,148	11,503	10,467	.....
Other deductions		12,541	19,332	3,185	.....	693	.....

Less allowances (1980, \$8,513,000).
The Co. values inventories principally at the lower of cost or replacement market. During 1980 Co. adopted the last-in-first-out method of valuation for approx. 73% of its inventories. 1980 comprised of: Raw materials and supplies, \$98,554,000; work-in-process, \$35,930,000; finished goods, \$129,329; allowance to reduce carry value to LIFO basis (7,500); total, \$256,313.
1980 comprised of (in \$000):

	Cost	Accum. Deprec.
Land and improv.	15,914	400
Bldgs. and improv.	109,777	28,987
Mach. and equip.	217,460	100,411
Transportation equip.	271,471	109,140
Constr. in progress	21,776	.....
Total	636,398	238,938

Net of income taxes.
Number of shares: 1976, 587,971; 1975, 761,019; 1974, 682,381.
Restated to reflect change in method of accounting for foreign currency translations.
Restated to conform with 1980 presentation.

General Notes

(a) Principals of Consolidation—The consolidated financial statements include the accounts of Co. and all subsidiaries in which Co. has in excess of 50% ownership, except those wholly-owned subsidiaries included in the Financial Services Group, which are accounted for by the equity method. The Financial Services Group consists of property-casualty insurance subsidiaries included in The Saval Group, Inc.; a finance subsidiary, Chromalloy Finance Corporation; and a real estate subsidiary, The Centor Company. All significant intercompany transactions and accounts have been eliminated.

(b) Inventories—Inventories are stated at the lower of cost or market. Cost at Dec. 31,

1980 is determined under the last-in, first-out (LIFO) method for most domestic inventories and under the first-in, first-out (FIFO) method for remaining inventories. At Dec. 31, 1979 and prior, cost was determined under the FIFO method.

(c) Property & Equipment—Owned property and equipment is stated at cost. Major improvements and betterments are capitalized. Interest costs on certain assets constructed for Co.'s own use are capitalized. Assets held under capitalized leases are carried at the present value of minimum future lease payments. Expenditures for maintenance and repairs are charged against earnings.

Depreciation and amortization are computed generally by the straight-line method at rates considered adequate to amortize the cost of assets over their estimated useful lives. Capitalized leases are amortized over their respective terms.

(d) Excess of Cost over fair value of Net Assets Acquired—Substantially all of the excess of cost over fair value of net assets acquired relates to the purchase of companies subsequent to 1970 and is being amortized over 40 years on a straight-line basis.

(e) Foreign Currency Transactions—The assets and liabilities of foreign operations are translated into U.S. dollars at current market rates, except that inventories, property and equipment and other minor accounts are translated at exchange rates in effect at the dates of the respective transactions. Revenues and expenses related to assets and liabilities translated into U.S. dollars at historical rates are also translated at historical rates. All other revenues and expenses are translated at average rates during the quarter the transactions occurred. Currency exchange gains and losses are included in net earnings during the period in which they occurred.

(f) Research & Development Costs—Research and development costs are charged to expense as incurred.

(g) Pension Plans—Various contributory and non-contributory pension plans cover certain hourly and substantially all salaried employees. Unfunded prior service costs are being accrued and funded principally over periods from 20 to 40 years.

(h) Income Taxes—Investment tax credits are accounted for using the "flow-through" method, which recognizes the tax benefits in the year the related assets are placed in service.

No provision is made for taxes which would be payable if undistributed earnings of certain foreign subsidiaries were remitted to the parent co. inasmuch as such earnings are being reinvested in the businesses and are, therefore, not currently available for dividend payments. Such undistributed earnings are not material in relation to the consolidated financial statements.

Auditors Report

The following is an excerpt from the Report of Independent Auditors, Peat, Marwick, Mitchell & Co., as it appeared in 1980 Annual Report.

"In our opinion, based on our examinations and the report of the other auditors, the aforementioned consolidated financial statements present fairly the financial position of Chromalloy American Corporation and subsidiaries at December 31, 1980 and 1979 and the results of their operations and changes in their financial position for each of the years in the three year period ended December 31, 1980, in conformity with generally accepted accounting principles consistently applied during the period except for the change, with which we concur, in the method of valuing inventories as described in Note 3 to the consolidated financial statements."

FINANCIAL & OPERATING DATA

	1980	1979	1978	1977	1976	1975	1974
Earned per share—preferred	\$44.05	\$41.60	\$32.68	\$31.04	\$32.26	\$34.58	\$46.54
Earned per share—common:							
On year-end shares	\$2.80	\$3.39	\$3.52	\$2.98	\$2.34	\$2.47	\$2.32
On average shares—primary	\$2.84	\$3.60	\$3.55	\$3.06	\$2.41	\$1.87	\$2.32
On average shs.—fully diluted	\$2.49	\$2.91	\$2.82	\$2.58	\$2.17	\$1.76	\$2.13
Dividends declared per share:							
\$5 cum. conv. preferred	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Common	\$1.10	\$1.10	\$1.05	\$0.96	\$0.81	\$0.70	\$0.70
Price range—\$5 cum. conv. pfd.	10 1/2-62 3/4	95-65	94 1/4-61 1/2	75-61	68-53	62 1/2-49	64 1/4-46 1/4
—common	26 1/8-14 3/4	24 1/4-15 1/2	24 1/4-14 3/4	17 1/2-14 1/2	15-9 1/2	13-8 1/2	13 1/4-7 1/2
Net tang. assets per sh.—\$5 conv. pfd.	\$374.98	\$288.02	\$207.68	\$211.55	\$247.08	\$292.85	\$302.18
—common	\$24.01	\$23.12	\$21.00	\$18.81	\$17.61	\$15.75	\$14.52
Times charges earned:							
Before income taxes	2.42	2.95	3.28	3.30	3.11	2.65	3.16
After income taxes	1.86	2.17	2.32	2.35	2.14	1.95	2.17
Times charges & pfd. div. earned	1.69	1.88	1.94	2.00	1.88	1.73	1.92
Net tang. assets per \$1,000 lg.-tm. debt	\$2,321	\$2,275	\$2,060	\$2,000	\$1,977	\$1,882	\$1,854
Net curr. assets per \$1,000 lg.-tm. debt	\$817	\$817	\$742	\$720	\$671	\$703	\$711
Number of shares—\$5 cum. conv. pfd.	1,008,982	1,215,235	1,451,179	1,213,516	870,599	627,647	561,164
—common (year-end)	14,007,886	12,948,547	11,474,336	10,966,961	10,547,278	9,987,443	10,066,081
—common (average—primary)	13,777,000	12,207,000	11,377,000	10,682,000	10,157,000	10,013,000	10,067,000
—common (aver.—fully diluted)	17,897,000	17,383,000	16,825,000	14,587,000	12,962,000	12,333,000	12,249,000
Financial & Operating Ratios							
Current assets ÷ current liabilities	1.92	1.83	1.86	1.96	1.82	2.06	1.95
cash & securities to current assets	7.10	6.30	3.95	3.83	4.61	5.74	5.65
inventories to current assets	53.20	50.24	52.41	53.98	53.15	48.87	54.05
net current assets to net worth	58.30	60.90	64.52	66.67	63.95	73.89	76.30
property depreciated	39.81	39.66	40.68	40.70	40.64	41.06	40.25
annual depr., etc. to gross property	6.48	6.12	5.94	.....	.....	.....	.....
Capitalization:							
long term debt	42.00	42.72	46.51	48.08	48.79	51.26	51.78
preferred stock	0.15	0.19	0.24	0.22	0.19	0.15	0.14
common stock & surplus	57.85	57.09	53.26	51.70	51.02	48.59	48.08
Sales ÷ inventories	5.92	6.20	5.83	5.62	5.37	5.68	4.31
Sales ÷ receivables	9.28	8.15	7.68	7.76	7.19	6.48	6.12
sales to net property	381.93	411.63	391.57	351.44	283.27	324.28	346.32
sales to total assets	155.04	161.72	156.34	150.90	143.03	139.95	143.29
net income to total assets	4.54	5.32	5.31	5.00	4.28	3.83	4.75
net income to net worth	11.24	13.73	14.50	13.59	12.16	10.95	14.12
Analysis of Operations							
net sales & operating revenues	99.16	98.93	99.33	99.42	99.48	99.42	99.00
Other income	0.84	1.07	0.67	0.58	0.52	0.58	1.00
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of sales & operating expenses	75.31	75.34	73.02	77.68	73.15	73.29	73.64
Selling, admin. & general exp.	16.88	16.70	18.81	14.03	18.03	18.53	17.12
Interest expense	3.39	2.79	2.55	2.44	2.62	2.86	2.82
Other expenses	0.19	0.19	0.32	0.32	0.70	0.58	0.32
Inc. bef. inc. taxes & equity in net inc. of Financial Serv. Group	4.23	4.98	5.30	5.53	5.50	4.74	6.10
Income taxes	1.92	2.19	2.42	2.29	2.54	2.00	2.81
Net inc. of Chromalloy & consol. subs.	2.31	2.78	2.88	3.23	2.96	2.73	3.29
Equity in net inc. of Financial Serv. Group	0.60	0.47	0.50	0.06	0.02	.....	.....
Net income	2.90	3.25	3.38	3.29	2.98	2.73	3.29

Based on weighted average number of common shares and common share equivalents as reported by Co.
Restated to conform with 1979 presentation.
Restated to conform with 1980 presentation.

LONG TERM DEBT

Outstanding Dec. 31, 1980 \$312,460,000 consists of the following:

- \$105,000,000 9.47% insurance company loan, unsecured, payable in annual installments of \$7,000 in 1984 thru 1998.
- \$20,000,000 12 1/2% insurance company loan, unsecured, payable in annual installments of \$1,176 in 1984 thru 2000.
- \$87,394,000 11.3% first preferred ship mortgage payable in varying amounts thru 1993.
- \$24,759,000 8.7% to 19.6% unsecured bank loans payable in varying amounts thru 1985.

(5) \$14,291,000 9.4% mortgage notes and equipment obligations, payable in varying amounts thru 1996.

(6) \$28,721,000 3.8% to 9.9% industrial development bonds secured by real estate, machinery and equipment.

(7) \$3,294,000 7.2% to 7.4% United States Government insured Merchant Marine Bonds, payable thru 1992.

(8) \$18,523,000 18.3% capitalized lease obligations payable to CFC in varying amounts thru 1986.

(9) \$10,478,000 9.7% other unsecured debt, payable in varying amounts through 1993.

The long-term debt of the transportation subsidiaries aggregated \$100,384,000 at Dec.

31, 1980. The debt, secured by certain transportation equipment, is not guaranteed by Co.

Company's loan agreements contain covenants which restrict payment of cash dividends and purchase, redemption or retirement of capital stock. Under most restrictive of covenants, unrestricted portion of consolidated reinvested earnings at Dec. 31, 1980 amounted to approximately \$29,500,000. Loan agreements also contain restrictive covenants which, among other things, require Company to maintain certain minimum amounts of working capital and not to exceed stipulated ratios of debt to capitalization. Property and equipment having an aggregate net carrying value of approximately \$219,930,000 at Dec.

31, 1980 is pledged as collateral under loan agreements.

CAPITAL STOCK

1. Chromalloy American Corp. \$5 cumulative convertible preferred; par \$1.

AUTH.—All series: 1,825,000 shs.; outstanding, Dec. 31, 1980, 1,008,982 shs.; par \$1.

PREFERENCES—Has preference for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.

DIVIDEND RECORD—Regular dividends paid.

DIVIDEND REINVESTMENT PLAN—See under common below.

LIQUIDATION RIGHTS—In liquidation, entitled to \$41.62 a sh. if involuntary; if voluntary, redemption price plus divs.

VOTING RIGHTS—Has 1 vote per sh.

CALLABLE—As a whole or in part, to each

June 30, incl., as follows (in \$):

1979	104	1982	103	1985	102
1988	101		100		

[1]Beginning July 1, 1988.

CONVERTIBLE—Into com. at rate of 3.888 com. shs. per pfd. sh.

TRANSFER AGENTS—Citibank, N.A., NYC; Mercantile Trust Co., N.A., St. Louis, Mo.

REGISTRARS—Citibank, N.A., NYC; St. Louis Union Trust Co.

LISTED—On NYSE (Symbol: CRO Pr).

2. Chromalloy American Corp. common; par \$1:

Authorized, 30,000,000 shares; outstanding, Dec. 31, 1980, 14,007,886 shares; reserved for options, 213,780 shares; reserved for conversion of preferred, 3,922,962 shares; par \$1.

As of Mar. 18, 1981 Sun Chemical Corp. owned 4,330,758 shs. (30.3%).

Ten cent par shares split 3-for-2 split Sept. 15, 1967; par changed from \$0.10 to \$1 by 3-for-2 split Nov. 20, 1968.

One vote per share. No preemptive rights. Dividends (since 1961):

1961	Nil	1962-63	Nil	1964	
1965	\$0.40	1966	\$0.50	1967	

After 3-for-2 split:

1967	0.12½	1968	0.59
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On \$1 par shs. after 3-for-2 split:

1969	0.44	1970	0.50	1971	
------	------	------	------	------	--

1972	0.60	1973	0.62½	1974-75	
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1976	0.80½	1977	0.92	1978	
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1979-80	1.10	1981	0.55
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[1]Paid stock dividends: 1961, 4%; 1964, 5%

[2]To May 1.

Dividend Reinvestment Plan: Compares dividend reinvestment plan for preferred and common dividends. The plan shareholders to automatically reinvest dividends in additional common shares.

Transfer Agents: Citibank, N.A., Mercantile Trust Co. N.A., St. Louis, Mo.

Registrars: Citibank, N.A., NYC; St. Union Trust Co., St. Louis, Mo.

Listed: On NYSE (Symbol: CRO).

CHROMALLOY AMERICAN CORPORATION

CAPITAL STRUCTURE

LONG TERM DEBT

- Issue
1. Debt excl. transportation subs.
2. Debt of transport. subs.

Rating

Amount
Outstanding
\$227,339,000
88,544,000

Times

Charges Earned
1978 1977
3.28 3.30

Interest
Dates

Call
Price

Price R
1978

CAPITAL STOCK

Issue

1. \$5 cum. conv. preferred
2. Common

Par
Value
\$1
1

Amount
Outstanding
1,451,179 shs.
[2]11,377,000 shs.

Earned per Sh.
1978 1977
\$32.68 \$31.04
[2]3.55 [2]3.06

Divs. per Sh.
1978 1977
\$5.00 \$5.00
1.05 0.96

Call
Price
[1]\$103

Price R
1978
94 1/4-61 1/2
24 3/4-14 3/8

[1] Subject to change; see text. [2] Based on weighted average number of common shs. and common sh. equivalents, as reported by Co. Earned diluted: 1978, \$2.82; 1977, \$2.58.

HISTORY

Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Co. has acquired a number of companies, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1973 Industrial Manual.

On Oct. 3, 1977, merged Aaron Brothers Corp. thru issuance of 0.16667 shs. \$5 conv. pfd. for each Aaron com. sh.

In Jan. 1978 acquired Laser Link Corp. for approximately 163,491 common shares; also in Jan. 1978 acquired O'Neal, Jones & Feldman Inc. for 75,764 shares of \$5 convertible preferred.

In Apr. 1978 acquired American Universal Insurance Co., Providence, RI for cash, notes and preferred stock.

In July 1978 acquired Campus Casuals of California for 200,737 shs. of Co.'s \$5 cum. conv. pfd. stk. and acquired McBride's Express Inc., a Mattoon, Ill. based common-carrier, for shs. of Co.'s \$5 cum. conv. pfd. stk.

Under Co.'s 1978-79 divestiture program, Co. has, as of May 1979, divested the following operating units: Chromalloy Photographic Clair Manufacturing Co., Inc., The Colony Hotel, Cro-Med Bionics, Industrial Blueprint Corp., Yukon Radio, Jetshapes, Chromalloy Chemical Division, Ardco Finishing, Alamo Welding Supply, Gulfco Shipyard and Burns-Biotec.

SUBSIDIARIES

Following are significant subsidiaries of the Co. and their jurisdiction of organization. All are wholly-owned, except as noted.

American Transit Corp. (Mo.)
Arrow Group Industries, Inc.
Chromalloy International Corp. (Del.)
Chromalloy Pharmaceutical, Inc. (Del.)
Missouri River Barge Lines, Inc. (Kans.)
The Puro Co., Inc. (Mo.)
The Saval Group, Inc. (Del.)
Sabine Towing & Transportation Co., Inc. (Del.)
Security Barge Line, Inc. (Miss.)
The Valley Line Co. (Del.)

Industry Segment Financial Data

Following is summary financial information for the above reportable industry segments for the last three years (in thousands of dollars):

Net sales & oper. revenues:	1978	1977	1976
Metal fabrication ..	202,799	185,944	164,996
Foundries	63,745	60,143	31,286
Natural resources ..	213,201	175,121	133,351
Transportation	194,729	163,954	139,340
Textile-apparel	193,160	150,635	124,562
Farm-indust.			
equip.	189,834	148,504	137,286
Other products	339,343	250,555	206,441
Total	1,396,811	1,134,856	937,262
Operating earnings:			
Metal fabrication ..	31,248	34,245	29,277
Foundries	4,986	6,031	3,457
Natural resources	16,067	13,109	13,923
Transportation	24,493	19,617	19,913
Textile-apparel	16,279	10,490	9,592
Farm-indust.			
equip.	17,363	10,838	7,276
Other products	15,032	10,097	3,004
Total	125,468	104,427	86,442

[1] Operating earnings represent total revenue less costs and expenses. In computing operating earnings, none of the following items have been added or deducted: general corporate expenses, interest expense, income taxes and equity in net earnings of nonconsolidated subsidiaries.

INCOME ACCOUNTS

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(taken from reports filed with the Securities and Exchange Commission and other Company reports)

(in thousands of dollars)

	1978	1977	1976	1975	[1]1974
Net sales & operating revenues	1,396,811	1,134,856	937,262	791,400	787,654
Other income	9,533	6,705	4,883	4,642	8,012
Total	1,406,344	1,141,561	942,145	796,042	795,666
Cost of sales & operating expenses	1,000,289	821,149	667,752	562,735	565,931

Financial Services

In addition to the above, the financial services group, consisting of an insurance subsidiary and a finance subsidiary, constitutes a reportable industry segment in 1978. The insurance subsidiary underwrites property-casualty insurance, principally surplus, specialty and excess lines, such as product and liquor liability, and other conventional lines, primarily auto, homeowners and commercial property and casualty. Other insurance related operations include an agency and brokerage business and insurance servicing activities primarily for the insurance subsidiary. Finance operations include financing extended term receivables of Chromalloy's operating companies and leasing automotive and industrial equipment.

Industry segment data pertaining to the financial services group for the year ended Dec. 31, 1978 is presented below. This data is not included in the consolidated industry segment data presented above as Chromalloy accounts for its investment in these nonconsolidated subsidiaries under the equity method of accounting and reports its investment in and equity in net earnings of the insurance and finance subsidiaries on a one-line basis in the consolidated financial statements.

	Insurance	Finance	Combined
Revenues	\$53,202	\$6,685	\$59,887
Operating Earnings	10,799	2,030	12,829

[1] Operating earnings represent earnings before income taxes and realized investment gains for the insurance subsidiary and earnings before income taxes for the finance subsidiary.

BUSINESS

Chromalloy is a diversified business with a broad range of products and services. The operating management of Chromalloy is organized into six unincorporated operating companies (Chromalloy Metal Tectonics Co., Chromalloy Natural Resources Co., Chromalloy Transport-Marine Co., Chromalloy Farm and Industrial Equipment Co., Chromalloy Textile/Apparel Co., Chromalloy Consumer Products and Services Co.) and a financial services group which are responsible for conducting the businesses of the divisions and subsidiaries assigned. However, in accordance with Statement of Financial Accounting Standards No. 14, Chromalloy has grouped its diversified businesses into seven reportable industry segments, which do not necessarily correspond to operating company classifications and a description of the business conducted by each follow:

Metal Fabrication

Repair and remanufacture of turbine engine components; manufacture of radiator cores and components; manufacture, including processing and metal stamping, of components of outdoor steel storage and utility sheds and fabrication of other metal products.

Foundries

Production of ductile, malleable and gray iron and aluminum castings ranging from small precision-made items to heavy duty products.

Natural Resources

Production of drilling fluids and chemicals; manufacture and repair of oil field exploration and production equipment; fabrication, installation and repair of oil well drilling structures and equipment; service and supply of oil field equipment and materials, and design and fabrication of water treatment facilities.

Transportation

Transportation of freight on inland waterways; deep sea and intracoastal transportation of petroleum products; land transit, including bus and trucking operations, and

manufacture, reconditioning and of bus and truck parts and equipment

Textile-Apparel

Production of cotton and cotton woven fabrics; dyeing, texturizing of cottons and synthetic yarns; manufacture of men's and women's clothing "make-and-trim" basis; design, manufacture and merchandising of men's suits and ladies' sportswear and retail of clothing, shoes and other dry goods

Farm-Industrial Equipment

Manufacture of agricultural and short-line equipment, storage structures, unloading systems; high precision industrial machinery; design and manufacture of complex material processing systems, and manufacture of parts for heavy duty construction and nance equipment.

Other Products

Supply glass and lumber products; commercial, industrial and residential construction industry; manufacture of generic and proprietary drugs and animal health; manufacture of rubber footwear; provide photographic products and operate permanent portrait and manufacture of other consumer

PROPERTIES

Chromalloy occupies manufacturing service facilities, office and warehouse in 36 states and 14 foreign countries.

MANAGEMENT

Officers

W.J. Barta, Chmn. & Chief Exec. Off.
F.P. Nykiel, Vice-Chmn.
L.H. Toups, Pres. & Chief Oper. Off.
E.H. Newman, Exec. Vice-Pres.
T.E. Monroe, Exec. Vice-Pres.—Co. op.
W.B. Roberts, Exec. Vice-Pres.—Ad Counsel & Sec.
T.G. Barnett, Vice-Pres. & Contr.
A.W. Clubb, Vice-Pres.—Pers. & Ad.
R.L. Lich, Vice-Pres.—Business Plan.
J.A. Lorenson, Vice-Pres.—Public Aff.
R.A. Payson, Vice-Pres.—Taxes
A.M. Pezzani, Vice-Pres. & Assoc. Gen. Sec.
C.K. Sherman, Treas.

Directors

Wesley J. Barta
Robert Bennett
A.J. deMayo
Murray Fischel
Dominick J. Giacomini
Raymond C.L. Greer
Andrew A. Koie
Jack G. Merrell
E.H. Newman
Frank P. Nykiel
F. Van S. Parr
D.W. Rhea
Maurice H. Saval
Craig Stevenson
Leon H. Toups
Sidney Traurig
Richard L. Wachtell

Auditors: Peat, Marwick, Mitchell & Co., Inc.
Director Meetings: Second Tuesday of each month.

Corporate Counsel: Whitman & Esq., N.Y.

No. of Stockholders: Dec. 31, 1978: 9,374; common, 15,931.

No. of Employees: Dec. 31, 1978, 29,600.
Executive Office: 120 South Central
Louis, MO 63105. Tel.: (314) 726-9200.

COME ACCOUNTS (Cont'd):

	1978	1977	1976	1975	1974	1973
Selling, admin. & general exp.	258,290	197,259	166,617	145,219	134,468	114,745
Depreciation	32,853	28,538	24,663	22,921	21,790	20,273
Interest expense	35,832	27,839	24,687	22,827	22,409	16,546
Other expenses	4,464	3,649	6,606	4,646	2,590	3,040
Inc. bef. inc. taxes & equity in net inc. of ins. & fin. subs.	74,616	63,127	51,820	37,694	48,478	44,260
Income taxes	34,164	26,246	24,012	15,987	22,361	20,422
Net inc. of Chromalloy & consolidated subsidiaries	40,452	36,881	27,808	21,707	26,117	23,838
Equity in net inc. of insurance & finance subsidiaries	6,968	792	277			
Net income	47,420	37,673	28,085	21,707	26,117	23,838
Reinvested earnings, beg. of year	183,180	160,732	144,253	132,478	116,226	101,727
Accum. earnings of pooled subsidiary	1,167					
Preferred cash dividends	7,012	4,967	3,421	2,925	2,806	2,806
Common cash dividends	11,839	10,258	8,185	7,007	7,059	6,533
Reinvested earnings, end of yr.	212,916	183,180	160,732	144,253	132,478	116,226
SUPPLEMENTARY P. & L. DATA						
Maintenance & repairs	36,724	32,074	25,982	22,584	20,155	20,178
Taxes, other than income	33,334	26,206	21,959	18,588	18,254	17,129
Advertising costs	16,158	12,149	9,758	8,077	7,369	7,743

Includes related portions of items shown under Supplementary P. & L. Data" below statement.
1978-77 comprised of (in \$000):

	1978	1977
U.S. Federal:		
Current	24,886	20,263
Deferred	4,663	2,530
Foreign	1,270	596
State & local	3,345	2,857

Total 34,164 26,246
Income taxes were reduced by investment tax credits of \$4,059,000 in 1978 and \$3,415,000 in 1977.

Under most restrictive covenants of Co.'s loan agreements, at Dec. 31, 1978 approx. \$33,500,000 of reinvested earnings were unrestricted as to payment of cash dividends and purchase, redemption or retirement of capital stock.

Includes payroll taxes (1978, \$25,358,000).

Restated to reflect change in method of accounting for foreign currency translations.

Consolidated Statement of Changes in Financial Position, years ended Dec. 31 (in thousands):

	1978	1977	1976	1975	1974	1973
Source of Funds:						
Net income	47,420	37,673	28,085	21,707	26,117	23,838
Deprec. & amort.	34,387	30,091	30,091	30,091	30,091	30,091
Def. inc. taxes	4,663	2,530	2,530	2,530	2,530	2,530
Equity in net inc. of ins. & fin. subs.	6,968	792	277			
Other from oper., net	130	898	898	898	898	898
Total from oper.	79,632	68,604	68,604	68,604	68,604	68,604
Issu. of lg.-tm. debt	85,680	79,475	79,475	79,475	79,475	79,475
Disp. of prop., net	8,084	8,198	8,198	8,198	8,198	8,198
Value of stk. issued for acq.	21,425	23,367	23,367	23,367	23,367	23,367
Incr. other def. liab.						
Decr. non-curr. rec. & other invest.	3,275	569	569	569	569	569
Other						
Total	198,665	182,548	182,548	182,548	182,548	182,548
Use of Funds:						
Add. to prop.	66,323	61,681	61,681	61,681	61,681	61,681
Decr. in lg.-tm. debt	57,986	42,848	42,848	42,848	42,848	42,848
Cash dividends	18,851	15,225	15,225	15,225	15,225	15,225
Inv. in & adv. to ins. & fin. subs.	11,571					
Prop. & equip. of acq. cos., net	10,356	18,573	18,573	18,573	18,573	18,573
Incr. in def. chgs. & intangibles	9,190	6,692	6,692	6,692	6,692	6,692
Other	620	433	433	433	433	433
Total	174,897	145,452	145,452	145,452	145,452	145,452
Incr. in working cap.	23,768	37,096	37,096	37,096	37,096	37,096

BALANCE SHEETS

CONSOLIDATED BALANCE SHEET, AS OF DEC. 31

(taken from reports filed with the Securities and Exchange Commission and other Company reports)

(in thousands of dollars)

	1978	1977	1976	1975	1974	1973
ASSETS						
Cash	18,072	14,335	15,141	16,372	16,379	16,379
Receivables	182,016	146,171	130,294	121,943	110,033	110,033
Inventories	242,015	202,008	174,412	139,311	156,336	156,336
Prepaid exp. & other current assets	12,399	11,674	8,279	7,382	6,455	6,455
Total current assets	454,502	374,188	328,126	285,008	289,204	289,204
Non-current receivables	13,947	14,304	13,650	10,920	5,789	5,789
Inv. in & adv. to ins. & fin. subs.	26,543	8,004	7,212			
Other investments	4,196	7,244	6,639	7,336	8,291	8,291
Property & equipment, at cost	583,663	527,098	455,126	400,162	368,034	368,034
Less accum. depreciation	225,007	204,184	175,730	156,118	140,560	140,560
Net property & equipment	358,656	322,914	279,396	244,044	227,434	227,434
Excess of cost over fair value of net assets acquired	25,721	20,406	15,804	14,419	15,353	15,353
Other assets	7,305	4,964	4,427	3,712	3,619	3,619
Total	890,870	752,024	655,254	565,439	549,691	549,691
LIABILITIES						
Notes payable						
Foreign credit facilities	2,239	3,960	5,400	24,710	28,337	28,337
Curr. mat. of long term debt:						
Exclusive of transportation subs.	22,942	17,267	22,417	7,758	4,915	4,915
Transportation subsidiaries	8,547	10,378	9,284	8,623	9,397	9,397
Accounts payable	130,169	97,358	80,212	61,486	62,764	62,764
Accrued expenses	52,115	42,547	31,939	27,398	29,037	29,037
Dividends payable	4,994	4,246	3,260	2,530	2,472	2,472
Income taxes	24,953	13,657	15,635	6,015	11,170	11,170
Total current liabilities	245,959	189,413	180,447	138,520	148,093	148,093
Long term debt:						
Exclusive of transportation subs.	204,397	183,655	158,767	158,097	154,767	154,767
Transportation subsidiaries	79,997	73,045	61,306	50,413	43,828	43,828
Deferred income taxes	24,126	19,463	16,933	14,300	11,654	11,654
Other deferred liabilities	9,277	9,300	6,883	4,503	4,252	4,252
Minority interest in subs.				1,377	2,169	2,169
Accum. conv. preferred stk. (par \$1)	1,451	1,214	871	628	561	561
Common stock (\$1 par)	11,474	10,967	11,135	10,748	10,748	10,748
Other capital ascribed to shares	101,212	81,787	60,388	44,500	41,804	41,804
Reinvested earnings	212,916	183,180	160,732	146,464	134,590	134,590
Net unrealized investment gains	61					
Total shareholders' equity	327,114	277,148	233,126	202,340	187,804	187,804
Less com. stk. in treasury, at cost			2,208	4,111	2,875	2,875
Net shareholders' equity	327,114	277,148	230,918	198,229	184,928	184,928
Total	890,870	752,024	655,254	565,439	549,691	549,691
PROPERTY ACCOUNT—ANALYSIS						
Additions at cost:						
Companies purchased	13,659	29,992	20,223			
Other	66,323	61,681	54,137			
Retirements or sales	23,417	19,701	17,129			
Other deductions			2,267			
DEPRECIATION RESERVE—ANALYSIS						
Additions:						
Companies purchased	3,303	11,419	6,110			
Charged to costs & expenses	32,853	28,538	24,663			
Retirements or sales	15,333	11,503	10,467			
Other deductions			693			
Less allowances (1978, \$6,399,000)				206,478	102,071	102,071
The Co. values inventories principally at the cost or replacement market. Generally, cost				234,309	81,884	81,884
Land	17,761			16,178	10,527	10,527
				12,838		

1978 comprised of (in \$000):

	Book Value	Reserves	Machinery & equip.	Transport. equip.	Trans. oper. facil.	Construct. in prog.
	17,761					

[E]Number of shares: 1976, 587,971; 1975, 761,019; 1974, 682,381.

[E]Restated to reflect change in method of accounting for foreign currency translations.

General Notes

Principles of Consolidation—Consolidated financial statements include accounts of Chromalloy American Corp. and all subsidiaries in which Company has in excess of 50% ownership, except wholly-owned Insurance and Finance subsidiaries, which are carried on equity method. Accounts of Chromalloy International Corp., an international holding company, have been included in consolidated financial statements based on its fiscal year end of Sept. 30. All significant intercompany transac-

tions and accounts have been eliminated in consolidation.

Investments—Investments in common stock of 20% to 50% owned companies are carried at cost and adjusted for equity in earnings or losses since date of acquisition. Company's equity in earnings of such investments was \$316,000 and \$855,000 in 1978 and 1977, respectively. All other investments, aggregating \$2,578,000 and \$2,645,000 at Dec. 31, 1978 and 1977, respectively, are carried at cost.

Depreciation—For financial reporting purposes, depreciation is computed principally using straight-line method over estimated service lives.

Foreign Exchange—Accounts of foreign subsidiaries are translated into U.S. dollars

generally at exchange rate in effect in transactions except for current value of inventories and prepaid liabilities which are translated rates in effect at balance sheet and expense accounts, other than amortization, are translated rate in effect during quarter in which occurred. Included in net exchange gains of \$1,198,000 net exchange losses of \$353,000 in 1978 and 1977 were \$3,451,000 and \$3,451,000 respectively.

Research and Development—search and development costs as expense as incurred. Amounts in 1978 and 1977 were \$3,451,000 and \$3,451,000 respectively.

FINANCIAL & OPERATING DATA

	1978	1977	1976	1975	1974
Earned per share—preferred	\$32.68	\$31.04	\$32.26	\$34.58	\$46.54
Earned per share—common:					
On year-end shares	\$3.52	\$2.98	\$2.34	\$2.47	\$2.32
On average shares—primary	\$3.55	\$3.06	\$2.41	\$1.87	\$2.32
On average shs.—fully diluted	\$2.82	\$2.58	\$2.17	\$1.76	\$2.13
Dividends declared per share:					
\$5 cum. conv. preferred	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Common	\$1.05	\$0.96	\$0.81	\$0.70	\$0.70
Price range—\$5 cum. conv. pfd.	94 1/4-61 1/2	75-61	68-53	62 1/2-49	64 1/4-46 1/4
—common	24 1/4-14 1/4	17 1/4-14 1/4	15-9 1/4	13-8 1/4	13 1/4-7 1/4
Net tang. assets per sh.—\$5 conv. pfd.	\$207.68	\$211.55	\$247.08	\$292.85	\$302.18
—common	\$21.03	\$18.81	\$17.61	\$15.75	\$14.52
Times charges earned:					
Before income taxes	3.29	3.30	3.11	2.65	3.16
After income taxes	2.33	2.35	2.14	1.95	2.17
Times charges & pfd. div. earned	1.94	2.00	1.88	1.73	1.92
Net tang. assets per \$1,000 lg.-tm. debt	\$2,060	\$2,000	\$1,977	\$1,882	\$1,854
Net curr. assets per \$1,000 lg.-tm. debt	\$733	\$720	\$671	\$703	\$711
Number of shares—\$5 cum. conv. pfd.	1,451,179	1,213,516	870,599	627,647	561,164
—common (year-end)	11,474,336	10,966,961	10,547,278	9,987,443	10,066,081
—common (average—primary)	11,377,000	10,682,000	10,157,000	10,013,000	10,067,000
—common (aver.—fully diluted)	16,825,000	14,587,000	12,962,000	12,333,000	12,249,000
Financial & Operating Ratios					
Current assets—current liabilities	1.85	1.96	1.82	2.06	1.95
% cash & securities to current assets	3.97	3.83	4.61	5.74	5.65
% inventories to current assets	53.24	53.98	53.15	48.87	54.05
% net current assets to net worth	63.75	66.67	63.95	73.89	76.30
% property depreciated	38.55	38.73	38.61	39.01	38.20
% annual depr., etc. to gross property	5.87	5.70			
Capitalization:					
% long term debt	46.50	48.08	48.79	51.26	51.78
% preferred stock	0.23	0.22	0.19	0.15	0.14
% common stock & surplus	53.27	51.70	51.02	48.59	48.08
Sales—inventories	5.77	5.62	5.37	5.68	4.31
Sales—receivables	7.67	7.76	7.19	6.48	6.12
% sales to net property	389.45	351.44	283.27	324.28	346.32
% sales to total assets	156.79	150.90	143.03	139.95	143.29
% net income to total assets	5.32	5.00	4.28	3.83	4.75
% net income to net worth	14.49	13.59	12.16	10.95	14.12
Analysis of Operations					
Net sales & operating revenues	99.33	99.42	99.48	99.42	99.00
Other income	0.67	0.58	0.52	0.58	1.00
Total	100.00	100.00	100.00	100.00	100.00
Cost of sales & operating expenses	71.12	71.94	70.87	70.71	71.12
Selling, admin. & general exp.	18.36	17.28	17.69	18.24	16.91
Depreciation	2.34	2.51	2.62	2.88	2.73
Interest expense	2.55	2.43	2.62	2.86	2.82
Other expenses	0.33	0.32	0.70	0.58	0.32
Inc. bef. inc. taxes & equity in net inc. of ins. & fin. subs.	5.30	5.52	5.50	4.73	6.10
Income taxes	2.42	2.29	2.54	2.00	2.81
Net inc. of Chromalloy & consol. subs.	2.88	3.23	2.96	2.73	3.29
Equity in net inc. of ins. & fin. subs.	0.50	0.06	0.02		
Net income	3.38	3.29	2.98	2.73	3.29

[E]Based on weighted average number of common shares and common share equivalents as reported by Co.

LONG TERM DEBT

1. Debt Exclusive of Transportation Subsidiaries: Outstanding, Dec. 31, 1978, \$227,339,000 comprised of:

(1) \$110,000,000 insurance company loan, unsecured 8.4%, payable in annual installments of \$5,000,000 increasing to \$7,000,000 in 1980 through 1994.

(2) \$5,923,000 bank loans, unsecured, with interest from 9 1/4% to 10 1/4% (1% over the participating banks' cost of funds), payable in equal amounts semi-annually through 1982.

(3) \$2,446,000 note payable in conjunction with renegotiation with interest at 7 1/4%, payable in equal amounts annually through 1984.

(4) \$51,000,000 bank loans, unsecured, with interest from 8.7% to 12.3% payable in varying amounts through 1985.

(5) \$27,968,000 mortgage notes payable and equipment obligations, at an average interest rate of 7.5%, payable in varying amounts through 1996.

(6) \$7,553,000 capitalized lease obligations, at average interest rates of 14.5%, payable to Chromalloy Finance Corp.

(7) \$7,948,000 other, unsecured, at average interest rates of 8.5%, payable in varying amounts through 1993.

(8) \$6,877,000 bank loans, unsecured, with interest from 9 1/4% to 10 1/4% (1% over the participating banks' cost of funds), payable in equal amounts semi-annually through 1982.

(9) \$2,750,000 bank loans, unsecured, with interest at 9 1/4% (1% over the participating banks' cost of funds), payable in varying amounts through 1981.

(10) \$4,229,000 mortgage notes payable and equipment obligations, at average interest rates of 6.4%, payable in varying amounts through 1984.

(11) \$645,000 other.
Company's loan agreements contain covenants which restrict payment of cash dividends and purchase, redemption or retirement of capital stock. Under most restrictive of cov-

enants, unrestricted portion of consolidated reinvested earnings at Dec. 31, 1978 amounted to approximately \$33,500,000. Loan agreements also contain restrictive covenants which, among other things, require Company to maintain certain minimum amounts of working capital and not to exceed stipulated ratios of debt to capitalization. Property and equipment having an aggregate net carrying value of approximately \$183,846,000 at Dec. 31, 1978 is pledged as collateral under loan agreements.

2. Debt of Transportation Subsidiaries: Outstanding, Dec. 31, 1978, \$88,544,000 comprised of:

(1) \$2,250,000 first preferred ship mortgage at average prime interest rate of 9.3%, payable in varying amounts through 1981.

(2) \$70,500,000 first preferred ship mortgage at average interest rate of 9.3%, payable in varying amounts through 1993.

(3) \$7,831,000 mortgage notes payable and equipment obligations, at average interest rate of 11.1%, payable in varying amounts through 1995.

(4) \$1,049,000 7.35% United States Government Insured Merchant Marine Bonds, payable in varying amounts through 1992.

(5) \$3,241,000 7.20% United States Government Insured Merchant Marine Bonds, payable in varying amounts through 1986.

(6) \$3,673,000 other.

CAPITAL STOCK

1. Chromalloy American Corp. \$5 cumulative convertible preferred; par \$1.

AUTH.—All series: 1,825,000 shs.; outstanding, Dec. 31, 1978, 1,451,179 shs.; par \$1.

PREFERENCES.—Has preference for assets and divs.

DIVIDEND RIGHTS.—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.

DIVIDEND RECORD—Regular paid.

LIQUIDATION RIGHTS.—In full entitled to \$41.62 a sh. if involuntary liquidation, redemption price plus divs.

VOTING RIGHTS.—Has 1 vote per CALLABLE.—As a whole or in part June 30, incl., as follows (in \$):

1979 104 1982 103 1985 101

1988 101

[E]Beginning July 1, 1988.

CONVERTIBLE.—Into com. at rat com. shs. per pfd. sh.

TRANSFER AGENTS.—Irving T. NYC; Mercantile Trust Co., N.A., Mo.

REGISTRARS.—Irving Trust Co., Louis Union Trust Co.

LISTED.—On NYSE (Symbol: CRO)

2. Chromalloy American Corp. comm. Authorized, 30,000,000 shares; out Dec. 31, 1978, 11,474,336 shares; res options, 283,336 shares; reserved for

10 cent par shares split 3-for-2 in 1979, 1967; par changed from \$0.10 to \$0.20 Nov. 20, 1968.

One vote per share. No preemptive Dividends (since 1961):

1961 \$1.00 1962-63 Nil 1964 \$0.40 1966 \$0.50 1967 \$0.50

After 3-for-2 split:

1967 0.12 1/2 1968 0.59

On \$1 par shs. after 3-for-2 split:

1969 0.44 1970 0.50 1971 0.60 1972 0.60 1973 0.62 1/2 1974-75 0.80 1976 0.92 1977 0.92 1978 0.82 1/2

[E]1979 0.82 1/2

[E]Paid stock dividends: 1961, 4%; 1964, 3%

[E]To Aug. 1.

Transfer Agents: Irving Trust Co., Mercantile Trust Co., N.A., St. Louis, Mo.

Registrars: Irving Trust Co., NYC; is Union Trust Co., St. Louis, Mo.

Listed: On NYSE (Symbol: CRO).

and 0.04708 sh. stk., clearing arrears. Regular dividends paid through Sept. 30, 1973. No dividends paid Dec. 9, 1977 when \$2.10 per sh. paid. On Jan. 3, 1978 paid \$3.50 per sh. clearing arrears.

LIQUIDATION RIGHTS—In any liquidation, entitled to \$23 a sh. plus divs.

VOTING RIGHTS—Has 2.1 votes per sh. with non-cumulative voting for directors except if divs. are in arrears for 3 semi-annual payments then pfd. voting as a class may elect 2 directors.

Consent of 66 2/3% of pfd. needed to (a) increase authorized amount of pfd., (b) issue prior stock or (c) change terms adversely. Consent of majority of pfd. needed to (a) create any class of stock ranking on a parity with pfd., (b) voluntarily dissolve, liquidate or wind up or carry out any partial liquidation or transaction such as "spin-off" or "split-up," (c) sell, transfer or lease all or substantially all assets, or (d) merge or consolidate.

CALLABLE—As a whole or in part on or after June 1, 1971 on at least 30 days' notice at \$40 a sh. Pfd. may be redeemed before June 1, 1971 upon redemption or elimination of all outstg. prior pfd. Pfd. may not be redeemed unless net worth of surviving corporation shall, immediately after redemption, be not less than liquidation preference of prior pfd.

CONVERTIBLE—Into com. at any time after Oct. 1, 1968 on basis of 2.10687 com. shs. for each pfd. sh. held (adj. for 2-for-1 split May 19, 1969 and stock dividends paid Mar. 31, 1970). Conversion privilege protected against dilution.

PREEMPTIVE RIGHTS—None.

TRANSFER AGENT & REGISTRAR—See \$1 prior pfd. (above).

PURPOSE—Issued in June 1968 in connection with merger of Baldwin-Montrose Chemical Co., Inc. into Co.

LISTED—On NYSE (Symbol: CCN Pr B); also listed on Pacific Stock Exchange.

PRICE RANGE—1977 1976 1975 1974 1973

High 26 21 14 11 15

Low 12 10 5 3 7 1/2

3. Chris-Craft Industries, Inc. common; par \$0.25

AUTHORIZED—15,000,000 shs.; outstg. Aug. 31, 1977, 4,428,808 shs.; reserved for conv. of pfd. 1,433,338 shs.; reserved for conv. of deb. 814,545 shs.; reserved for warrants, 1,219,200 shs.; reserved for options, 455,355 shs.; reserved for stock purchase, 20,000 shs.; par \$0.50.

\$1 par shares split 2-for-1 May 19, 1969.

VOTING RIGHTS—Has one vote per share subject to rights of preferred stocks.

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—

1937 \$10.25 1938-39 Nil 1940 \$0.70

1941 0.60 1942 \$0.15 1943 0.50

1944 Nil 1945 0.30 1946-47 0.60

1948 1.00 1949 1.60 1950 1.70

1951-53 2.00 1954 1.25 1955 1.00

1956 0.75 1957-59 Nil 1960 0.25

1961 Nil 1962-65 0.25 1966 0.25

1967 1.30 1968 1.00 1969 0.30

1970 0.25 1971-77 Nil

1978 0.25 1979 0.25

1979 0.25 1980 0.25

1981 0.25 1982 0.25

1983 0.25 1984 0.25

1985 0.25 1986 0.25

1987 0.25 1988 0.25

1989 0.25 1990 0.25

1991 0.25 1992 0.25

1993 0.25 1994 0.25

1995 0.25 1996 0.25

1997 0.25 1998 0.25

1999 0.25 2000 0.25

2001 0.25 2002 0.25

2003 0.25 2004 0.25

2005 0.25 2006 0.25

2007 0.25 2008 0.25

2009 0.25 2010 0.25

2011 0.25 2012 0.25

2013 0.25 2014 0.25

2015 0.25 2016 0.25

2017 0.25 2018 0.25

2019 0.25 2020 0.25

2021 0.25 2022 0.25

2023 0.25 2024 0.25

2025 0.25 2026 0.25

2027 0.25 2028 0.25

Chromalloy Corp., name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Co. has acquired a number of companies, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1973 Industrial Manual.

In Dec. 1975 Co. thru subsidiary acquired Gulfco of Freeport, which provides turnkey, fabrication and maintenance for off-shore oil, drilling, marine and industrial operations for cash.

In Apr. 1976, Chromalloy Natural Resources Co., subsidiary, acquired Well Fluids Corp., Midland, Tex. for cash.

In July, 1976, American Transit Co. acquired National Seating Co., Mansfield, Ohio, for cash and notes.

In Sept., 1976, Chromalloy Pharmaceutical Co. acquired Midwest Card Co., St. Louis, Mo., for cash and notes.

On Oct. 3, 1977, merged Aaron Brothers Corp. thru issuance of 0.16667 shs. \$5 conv. pfd. for each Aaron com. sh.

In Jan. 1978 acquired Laser Link Corp. for approximately 163,491 common shares; also in Jan. 1978 acquired O'Neal, Jones & Feldman Inc. for 75,764 shares of \$5 convertible preferred.

In Apr. 1978 acquired American Universal Insurance Co., Providence, RI for cash, notes and preferred stock.

Proposed Merger: In Apr. 1978, Co. and Campus Casuals of California signed an agreement whereby Campus Casuals would be merged into Co., subject to Campus Casuals' shareholder approval and certain other conditions. The transaction contemplates an exchange of 3 1/2 shs. of Campus Casuals' com. stock for one sh. of Co.'s \$5 cum. conv. pfd. stock.

Business: Principal products and services of each line of Co.'s business are as follows:

CHROMALLOY BUILDING PRODUCTS CO.

Fabrication and installation of glass; glass tempering and lamination; fabrication of glass/aluminum architectural units; distribution of glass pipe and fittings; manufacture of mirrors; manufacture of insulated glass window components; general housing materials and lumber sales; prefabricated lumber building components and millwork.

CHROMALLOY METAL TECTONICS CO.

Sophisticated diffusion coating systems; repair and modification of gas-turbine engine parts for aircraft, marine, gas pipe and electric utility industries; specialized airfoil castings; machineable and hardenable carbides for tools and dies; decorative finishing of coiled aluminum and steel for appliances and metal buildings; grey, ductile and malleable iron castings of all weights; aluminum castings; manufacture of radiator cores (heat exchangers) for vehicles and large stationary installations; electrical and electronic connectors; heavy and light metal stampings for automotive, household appliances and flashlight applications.

CHROMALLOY TRANSPORT—MARINE CO.

Barge transportation of regulated and bulk commodities on inland waterways; transportation of diverse grade refined petroleum products by tanker and barge tows on intra-coastal waterways, and on coasts of Gulf of Mexico, Caribbean, Atlantic and Pacific Oceans; operation of municipal, suburban and inter-city bus lines; college campus bus services; land and marine sight-seeing tours; sales of buses and reconditioning, salvaging and sale of bus parts.

CHROMALLOY FARM & INDUSTRIAL EQUIPMENT CO.

Manufacture and sale of various specialized agricultural implements for preparing and cultivating soil and handling crops such as haybales, discs, mulchers, manure spreaders and front-end loaders to farmers and large tractor manufacturers for use as attachments, components or accessories; animal feed systems including concrete-stave silos, silo unloaders and feed conveyors; specialized truck bodies for transporting farm and industrial equipment.

CHROMALLOY NATURAL RESOURCES CO.

Products and services to the petrochemical and marine industries, oil and gas pipeline companies and operators; heavy petrochemical equipment engineering and construction; installation and repair of metering equipment; sale of tubing for condensers and heat exchangers for use in refineries and chemical processing plants; manufacture, installation and repair of drilling tools; manufacture of drilling fluids; offshore rig services; repair and servicing of gas compressor and engine components; barge and ship repair and reconditioning; design, manufacture and installation of safety and fire control systems; general petroleum industry retail supply stores; design, manufacture and servicing of large, sophisticated industrial and commercial water purification systems.

CHROMALLOY CONSUMER PRODUCTS & SERVICES CO.

Manufacture and sale of prefabricated utility buildings for home owners; waterproof rubber and vinyl floor coverings; men, women and children; specialized footwear for sports wear and industrial applications; safety and survival equipment; mium quality flashlights; hotel operation management; portrait photography; drink bottling and distribution.

CHROMALLOY TEXTILE APPAREL CO.

Operation of retail clothing stores; manufacture and sale of men's suits and wear; textile dyeing and finishing; manufacture of woven cotton and cotton/polyester fabric; dyeing and texturizing nylon and polyester yarn; textile fabric importing services for textile users.

CHROMALLOY PHARMACEUTICAL CO.

Manufacture and sale of veterinary pharmaceuticals and biologics; manufacture of human ethical and over-the-counter drugs; manufacture and sale of vitamins and other products; manufacture and sale of cosmetics and sanitary products; mixing and sale of perfume, spearmint and other essential oils and sale of novelties, greeting cards, etc.

CHROMALLOY INTERNATIONAL CORP.

(Activities outside of U.S.)

Precision metal cutting and forming machinery; precision wood and metal machinery and finishing equipment; brochures; catalyzed diffusion systems for coating metal; proprietary turbine engine component materials conveying equipment; materials compacting and vibrating equipment; materials movement; oil and gas filters for petroleum refineries, turbines, ship propulsion systems and hydraulic fluid systems of other equipment.

Property: Co. has plants and offices at numerous locations throughout the U.S. and at numerous foreign locations (for a further description see subsidiaries below).

Subsidiaries

Airport Service, Inc. and subsidiary

American Transit Corp. and subsidiary

Arrow Group Industries, Inc.

Chromalloy Angola, S.A.R.L.

Chromalloy Canada Corp., Inc.

Chromalloy-Disc Corp.

Chromalloy International Corp. (51%) and subsidiaries

Chromalloy-Kessler, Inc. (50%)

Chromalloy Pharmaceutical, Inc.

Chromex, S.A. de C.V. (48%) and subsidiary

Clair Manufacturing Co., Inc.

Cardionics, S.A. (37%)

Fact Service Corp. and subsidiary

F.M.S. Transportation, Inc.

Hawk Bilt International, Inc.

Industrial Applications International, Inc. (50%)

Industrial Blueprint Corp.

Industrial Testing Laboratories, Inc.

Ishikawajima-Chromalloy Co. Ltd.

Laidig Silo Unloaders (80%)

Loser Link Corp. (36%)

Midwest Card Co.

Missouri River Barge Lines, Inc.

Posadas de Puerto Rico, S.A. (37%)

Prairie Blades, Ltd.

Sabine Towing & Transportation Co.

Scientific Associates, Inc.

Sheet Metal Equipment, Inc. (50%)

The Puro Co., Inc. and subsidiary

The Valley Line Co. and subsidiary

Turbine Services (50%)

Turbochrome Ltd. (50%)

W.E. Saunders, Ltd.

K. Wolens, Inc.

Officers

W.J. Barta, Chmn.

F.P. Nykiel, Vice-Chairman

R.P. Seelig, E.H. Newman

I.A. Shepard, Pres. & Chief Exec. Off.

P.J. Ducey, Exec. Vice-Pres. & Gen. Mgr.

W.L. McCavock, Exec. Vice-Pres. & Gen. Mgr.

A.J. de Mayo, Exec. Vice-Pres. & Gen. Mgr.

W.B. Roberts, Exec. Vice-Pres. & Gen. Mgr.

Capital Stock: Chomerics, Inc. common; par \$0.10:

Auth., 1,000,000 shs.; outstg., Dec. 31, 1975, 390,435 shs.; in treasury, 111,533 shs. (incl. 100,000 shs. Employee Stock Ownership Trust); reserved for options, 77,470 shs.; par \$0.10.

Has one vote per sh. with non-cumulative voting for directors. No preemptive rights. Paid 3% stock dividend on Jan. 15, 1973.

Listed: On Boston SE Transfer Agent & Registrar: State Street Bank & Trust Co., Boston.

Price Range: 1976 1975 1974 1973 1972
High 4 3/4 4 3/4 2 3/8 6 7
Low 1 1/2 1 1/8 3/4 2 4

Subscription Rights: Stockholders of record May 8, 1970 had right to subscribe to 75,000 shs. at \$4 a sh. at rate of one new sh. for each 4 shs. held. Offer expired June 9, 1970.

CHRIS-CRAFT INDUSTRIES, INC.

History: Incorporated in Delaware Jan. 23, 1928 as National Automotive Fibres, Inc. name changed to NAFI Corp. Apr. 28, 1959; present name adopted Apr. 27, 1962.

On Aug. 1, 1949, merged California Cotton Mills Co., an affiliate. In 1957 acquired Electro Physical Engineering Co., Inc. Los Angeles; operated as a division and sold in 1958.

In Apr. 1959, purchased for \$880 an 84.2% interest in common shares of Nafco Oil & Gas Inc., purchased 12,500 shares Nafco's preferred stock for \$1,250,000 and loaned Nafco \$3,750,000. At about same time, Nafco acquired assets of Oil & Gas Property Management, Inc. (sold Nafco Dec. 31, 1966 for \$3,817,138).

Sept. 1, 1959, purchased for \$1,026,940 Oregon Television, Inc., operator of KPTV, a commercial television station in Portland, Ore.

Mar. 10, 1960, acquired for 44,000 shares KCOP Television, Inc., operator of a commercial television station in Los Angeles, Cal.

Apr. 5, 1960, purchased Chris-Craft Corp. for \$11,990,000 cash and \$28,010,000 6% notes. May, 1960, purchased radio station KXYZ, Houston, Tex., from Houston Broadcasting Corp. for \$750,000. Sold in July 1961.

On Sept. 1960 subsidiary NAFI Telecasting acquired television station KTTV, Fort Worth, Tex. Sold in July 1962.

On Jan. 12, 1962 Chris-Craft Corp. acquired Thompson Boat Co. of N.Y., Inc. for \$550,000.

On Oct. 1, 1964, acquired for \$3,900,000 cash television station WTCN-TV, Minneapolis, from Time-Life Broadcast, Inc. (Sold June 22, 1972 to Metromedia, Inc. for \$18,000,000.)

On June 19, 1968, merged Baldwin-Montrose Chemical Co., Inc. by issuance of preferred stock at rate of one \$1.40 conv. pfd. sh. for each 2 Baldwin Montrose com. shs. and one of \$1 conv. pfd. sh. for each Baldwin-Montrose conv. preferred share.

In 1971, company distributed to pre-merger Chris-Craft stockholders, 8 month wts. to purchase 575,000 Co. com. shs. at \$8.50 per sh.

In early 1969, acquired all the outstanding stock of Argonaut Taiwan Corp. for cash.

In 1971, acquired tools, molds, patents, trademarks and designs of Gull Wing Sport Boat Line from Outboard Marine Corp.

In 1973 sold Television Broadcasting Divisions, sales representation group, Tele-Rep. Inc. to Cox Broadcasting Corp. for \$1,610,000.

Piper Control Suit: On Feb. 23, 1977, The Supreme Court overturned a \$35,800,000 judgment that a Federal Appeals Court awarded to Co. in 1975, in litigation over Co.'s unsuccessful bid to take over Piper Aircraft Corp. In its decision, Court placed new limits on extent of liability that can arise from violations of provisions of a securities law adopted in 1968 to regulate corporate takeovers.

Co. began in late 1968 to try to take over Piper Aircraft. Piper's management at time consisted mainly of members of Piper family, who owned 31 percent of Piper's outstanding stock. Co. sought to secure voting control of Piper through both cash and exchange offers, but its attempt failed. Bangor Punta obtained control instead, in Sept. 1969, with help of Piper family.

Co. then brought suit. It contended that Bangor Punta achieved control as result of violations of Federal securities laws by Piper family, by Bangor Punta, and by Bangor Punta's underwriter, First Boston, Corp.

The 1968 statute in question does not specifically provide for right to bring lawsuit for damages based on violations of statute. However, a lower court, the United States Court of Appeals for the Second Circuit, found that statute implied such right.

The Supreme Court's current ruling, in effect, holds that the 1968 statute did not create such right, at least for someone in the position that Co. had in this case—a competitor in a battle to take over a corporation.

Business & Properties: Company operates through the following three major divisions:

Boat Division: Manufacturer of yachts, cruisers, sport boats & marine engines, marketer of marine parts & accessories. Plants are located at: Pompano Beach, Fla.; Algonac and Holland, Mich.; Gallipolis, O.; and Fiumicino, Ita-

Television Broadcasting Division: Company owns and operates two very high frequency television stations through the following subsidiaries:

Oregon Television, Inc. (wholly-owned subsidiary) Operates KPTV, a commercial television station in Portland, Ore. Owns 33,526 sq. ft. for studios and offices, and its transmitter (50 kw) is located on property acquired in 1964 and on which new tower and antenna were constructed. Operates as an independent station.

KCOP Television, Inc. (wholly-owned subsidiary) Operates KCOP, an independent commercial television station in Los Angeles, Cal. Also leases its electronic and video tape equipment, studio facilities and production personnel to outside producers of television programs and commercials.

Transmitter (50 kw) is at Mt. Wilson, Cal., on U.S. Gov't land. Studios and offices, in owned building in Los Angeles.

Industrial Division: Makes plastic flexible films, water-disposable hospital laundry bags, latex & plastic flexible foams, jute carpet underlay, non-woven sound control padding & other non-woven fiber products. Manages Montrose Chemical Corp. of California (50% owned affiliate), world's largest producer of DDT.

Plants are located at: Waterford, N.Y.; Gary, Ind.; Trenton, N.J.; Detroit, Mich.; Torrance, Cal.; Henderson, Nev.

Subsidiaries:

Oregon Television, Inc. (100%)
KCOP Television, Inc. (100%)
Argonaut Taiwan Corp. (100%)
Chris-Craft Pacific, Inc. (100%)
Chris-Craft Sales, S.A. (Switzerland) (100%)
Chris-Craft of Italy, S.p.A. (100%)
Chris-Craft Sales Center, Inc. (100%)
Marine Power Corp. (100%)
Argonaut Taiwan Corp. (100%)

Affiliates:

Piper Aircraft Corp. (43%)
Montrose Chemical Corp. of Cal. (50%)
[See alphabetical index.]

Officers:

H.J. Siegel, Chmn. & Pres.
J.J. Rochlis, Exec. Vice-Pres.
L.R. Barnett, Exec. Vice-Pres.
G.L. Davis, Jr., Vice-Pres.
Victor Oristano, Vice-Pres.
G.M. Irvine, Jr., Vice-Pres.
R.B. Hunter, Sec. & Treas.
L.M. Kashdin, Contr.

Directors:

H.J. Siegel
Herman Rush
D.F. Linowes
A.R. Rozelle
J.Z. DeLoe
Norman Perlmutter
A.L. Liman
L.R. Barnett
R.F. Hunter
J.J. Rochlis
G.L. Davis, Jr.
D.J. Mahoney
Howard Arvey
Victor Oristano

Auditors: Arthur Andersen & Co.

General Counsel: Paul, Weiss, Rifkind, Wharton & Garrison.

Annual Meeting: In Dec.

No. of Stockholders: Aug. 31, 1976: Pfd., 3,181; Com., 9,396.

No. of Employees: Aug. 31, 1976, 1,900.

Office: 600 Madison Ave., NYC 10022. Tel. (212) 421-0200.

Consolidated Income Account, years ended Aug. 31 (\$000 omitted):

Sales, etc.	1976	1975
69,614	61,150	
Cost & exp.	57,227	55,849
Sell., etc., exp.	12,447	12,076
Oper. loss	60	6,775
Other income	992	815
Gain plants sold	844	41,400
Total	1,776	47,360
Interest	2,682	3,082
Income taxes		43,050
Equity earn.	3,826	4,292
Net income	2,920	43,100
Prev. ret. earn.	6,943	10,181
Pfd. divs. (cash)	110	138
Retained earn.	29,753	6,943
Earn., com. sh.	\$0.43	\$81.02
Yr. end com. shs.	4,395,352	4,167,116
[After \$1,191,000 (1975, \$1,189,000) deprec. [2]As reported on 4,296,815 (1975, 4,163,600) aver. shs. disregarding pfd. arrears, [3]Entirely restricted, [2]Reclassified for comparative purposes.		

Consolidated Balance Sheet, as of Aug. 31 (\$000 omitted):

Assets:	1976	1975
Cash, etc.	5,402	4,932
Receivables	7,713	5,406
Inventories	15,819	16,607
Film contr. rts.	6,400	6,700
Prepayments	894	862
Total curr.	36,228	34,507
Net prop., etc.	8,923	8,667

Piper Aircraft
Film contr. rts.
Other assets
Intangibles

Total
Liabilities:
Accts. payable
Fed. income tax
Film contr. pay.
Accruals

Total curr.
Long term debt
Film contr. pay.
Oth. liab.
Def. inc. tax
\$1 pr. pfd. stk.
\$1.40 cv. pfd.
\$2 cv. pfd.
Com. stock
Capital surplus
Retain. earn.

Total
Net curr. assets
Deprec.
Lower cost (princ. filo) or min.
shs. [1] par shs.: 1976, 671,771;
par shs.: 1976, 4,395,352; 1975,
shs.: 1976, 5,048; 1975, 41,870.

Note: Pfd. div. arrears as
amounted to \$2,376,000 (\$3,300
cv. pfd. stk., \$5.00 a sh. on \$2.00)

Long Term Debt: 1. Chris-Craft
convertible subordinated debentures

Rating—B
AUTH.—\$26,000,000; Outstg.
1976, \$16,526,000.

DEBENTURE EXCHANGE
below.

DATED—Dec. 15, 1968. **DUE**
INTEREST—Quarterly, Janu-
ers registered on 15th day
date.

TRUSTEE—Chase Manhattan
NYC.

DENOMINATION—Fully
and \$1,000 and authorized main-
CALLABLE—As a whole or
least 30 days' notice to each
follows:

1978	103.3	1979	103.3
1981	102.4	1982	102.4
1984	101.5	1985	101.5
1987	100.6	1988	100.6

Also callable for sinking fund
par.

SINKING FUND—Annually
each Apr. 1, 1980-88, to redem.
debs.), equal to 8% of debs.
plus similar optional payment.
SECURITY—Not secured,
all senior debt.

CONVERTIBLE—Into com.
called, on or before 3rd busi-
ing redemption date) at \$16
justment for interest or divs.
converted after record date.
est payment date must be at
amount equal to such interest.
tered holder is entitled to re-
lieu of fractional shs. Con-
protected against dilution.

DIVIDEND RESTRICTION
pay cash dividends on \$2.00
ferred stock (and thus \$1.40
ferred stock, which ranks
\$2.00 convertible preferred
to the payment of dividend
stock. Under such provision
tained earnings and approx-
ture earnings, as defined, at
the payment of such dividend
1976.

INDENTURE MODIFI-
ture may be modified, ex-
with consent of 66 2/3% of deb.
RIGHTS ON DEFAULT
debs. outstg. may declare
payable (30 days' grace for
est).

LISTED—On New York Stock
PURPOSE—Proceeds for re-
OFFERED—(\$26,000,000) at
Co. 98.625, maximum) on P.
Loeb, Rhoades & Co. and
and associates (see Subsec-
low).

PRICE RANGE—1976
High 64
Low 43

2. Chris-Craft Industries
debenture 10s, due 1985:

Rating—B
Outstanding, Dec. 31, 1975,
Dated: 1972; Due Dec. 31, 1985

Trustee: Bank of New York
Callable at 101, declining
Sinking Fund: Beginning

quire annual sinking fund
imately \$161,000 less prin-
debenture redeemed or
company.
Issued in 1972 pursu-
(see below).

Co.: Great Scott Stores, Inc., Lincoln Lodge
Co.: Urbana Lincoln Co., Sterling Avenue
Corp.: Lincoln Cicago Corp., I-65-U. S. 30
Corp.

Corporate Officers

N. F. Armour, Chairman
H. R. Spurnay, President
C. E. Ebert, Vice-Pres. & Treas.
D. M. Fort, Vice-Pres. & Sec.
R. B. Schlesinger, Vice-Pres.
W. C. Kravas, Asst. Sec.

Directors

J. C. Archibald
N. F. Armour
W. H. Avery
F. G. Jaicks
John Dern, Jr.
R. L. Scott, III
H. R. Spurnay
C. V. Martin
W. C. Musham
J. T. Pirie, Jr.
C. E. Ebert
J. S. Welles
B. D. Williams, III

Auditors: Arthur Andersen & Co.

General Counsel: Sidley & Austin, Chicago.

Annual Meeting: First Wednesday in June.

No. of Stockholders: Jan. 31, 1976, 3,805.

No. of Employees: Jan. 31, 1976, 10,700.

Office: One South State St., Chicago, Ill. 60603.

Consolidated Income Account, yrs. ended		
	1/31/76	2/1/75
(\$000 omitted):		
Net sales	341,973	332,031
Costs & exps.	312,653	304,369
Deprec. & amort.	6,146	6,150
Pens. plan contrib.	1,842	1,673
Interest	5,529	6,935
Fed. inc. tax	7,535	6,020
Net profit	8,287	6,884
Prev. ret. earn.	45,589	40,707
Dividends (cash)	2,225	2,003
Retain. earn.	51,631	45,589
Retain. com. sh.	\$3.42	\$2.75
Yr. end com. shs.	2,274,134	2,503,961

[A] As reported on aver. shs.

Consolidated Balance Sheet (\$000 omitted):		
	1/31/76	2/1/75
Assets:		
Cash, etc.	8,351	7,920
Receiv., net	42,402	34,740
Inventories	36,280	35,814
Prepaymts., etc.	1,658	1,749
Total curr.	88,691	80,222
Net prop., etc.	84,471	82,073
CPS Credit Corp.	4,748	4,369
Other invests.	2,059	2,457

	1/31/76	2/1/75
Liabilities:		
Notes, etc., pay.	2,049	1,753
Accts. payable	11,741	9,004
Accruals	20,335	17,411
Fed. inc. tax	758	1,416
Def. inc. tax	8,700	8,400

	1/31/76	2/1/75
Total curr.	43,584	37,984
Long-tm. debt	52,500	51,205
Def. Fed. inc. tax	10,000	9,100
Com. stk. (\$5)	12,591	12,572
Capital surplus	12,832	12,796
Retain. earn.	51,631	45,589
Stkhold. equity	77,054	70,958
Reacq. stk.	3,167	126
Net stkhold. eq.	73,887	70,832

	1/31/76	2/1/75
Total	179,970	169,121
Net curr. assets	45,107	42,238
Net tang. com. sh.	\$32.49	\$28.29
Deprec.	46,028	48,581
Com. shs. at cost: 1976, 244,101; 1975, 10,532.		
Lower of cost or mkt.		

Term Loan: Outstanding, Jan. 31, 1976 (less current maturities) comprised of: \$10,000,000 7% notes due \$700,000 annually from 1972-81 and \$900,000 annually from 1982-86.

Note agreements define minimum working capital requirements to be maintained by Co. and extent to which it may incur additional debt, enter into additional leases, make additional investments and pay dividends. Under agreements, \$18,421,000 of reinvested earnings at Jan. 31, 1976, were not available for cash dividends.

Subsidiaries Debt: Outstanding Jan. 31, 1976, \$42,499,644 various notes with interest from 4% to 9% payable serially with final maturity dates from 1980 to 2001, secured by certain properties and equipment. Not guaranteed by parent company.

Capital Stock: 1. Carson Pirie Scott & Co. common; par \$5:

Authorized, 5,000,000 shares; outstanding, Jan. 31, 1976, 2,274,134 shares; in treasury, 244,101 shares; reserved for options, 131,013 shares; reserved for stock purchase plan, 150,453 shares; par \$5.

Par changed from no par to \$5 Jan. 10, 1958, share for share.

Has one vote per share. Has no preemptive rights.

For dividend restriction, see term loan above.

Dividends (payments in calendar years since 1944 follow):

1945	\$0.25	1946	\$0.72	1947	\$0.32
1948	0.42	1949	0.08	1950-51	0.10

1952	nil	1953	0.08	1954	0.12
1955	nil	1956-57	0.12	1958	0.18
1959-60	0.20	1961	0.25	1962-63	0.30
1964	0.34	1965	0.40	1966	0.50
1967	1.00	1968	0.90	1969	1.00
1970	0.80	1971-72	0.60	1973	0.70
1974	0.80	1975	0.92½	1976	0.57½

[B] To June 16.

[C] Also paid in stock: 1971-73, 4%.

Transfer and Dividend Disbursing Agent: First National Bank, Chicago.

Registrar: Harris Trust & Savings Bank, Chicago.

Listed: On Midwest Stock Exchange.

Price Range:	1975	1974	1973	1972	1971
High	15½	12½	14½	17½	22½
Low	7	6¼	9¼	12½	13½

CHROMALLOY AMERICAN CORP.

History: Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Co. has acquired a number of companies, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1973 Industrial Manual.

In Dec. 1975 Co. thru subsidiary acquired Gulfco of Freeport, which provides turnkey, fabrication and maintenance for off-shore oil, drilling, marine and industrial operations for cash.

In Apr. 1976, Chromalloy Natural Resources Co., subsidiary, acquired Well Fluids Corp., Midland, Tex. for cash.

Joint Venture: In Nov. 1975, Co. and Ishikawajima Harima Heavy Industries Co., Tokyo, Japan, formed a joint venture that will apply a Co. aluminum based diffusion coating to jet engine parts at an aircraft plant near Tokyo.

As of Jan. 1, 1975 all outstanding stock of Chromalloy Europa, N.V. (Europa) a 61% owned foreign subsidiary, was exchanged by Chromalloy and all other Europa shareholders for a corresponding interest in Chromalloy International Corp. (International), a newly formed U. S. company. Concurrent with above exchange, Chromalloy directly assumed approximately \$6,100,000 of Europa debt which was previously guaranteed by Chromalloy in exchange for 62,000 shares of International \$100 convertible preferred stock. This debt assumption resulted in increasing Chromalloy's percentage ownership in International's voting stock to approximately 85%.

Business: Principal products and services of each line of Co.'s business are as follows:

CHROMALLOY BUILDING PRODUCTS CO.

Fabrication and installation of glass; glass tempering and lamination; fabrication of glass/aluminum architectural units; distribution of glass pipe and fittings; manufacture of mirrors; manufacture of insulated glass window components; general housing materials and lumber sales; prefabricated lumber building components and millwork.

CHROMALLOY METAL TECTONICS CO.

Sophisticated diffusion coating systems; repair and modification of gas-turbine engine parts for aircraft, marine, gas pipe and electric utility industries; specialized airfoil castings; machineable and hardenable carbides for tools and dies; decorative finishing of coated aluminum and steel for appliances and metal buildings; grey, ductile and malleable iron castings of all weights; aluminum castings; manufacture of radiator cores (heat exchangers) for vehicles and large stationary installations; electrical and electronic connectors; heavy and light metal stampings for automotive, household appliances and flashlight applications.

CHROMALLOY TRANSPORT-MARINE CO.

Barge transportation of regulated and bulk commodities on inland waterways; transportation of diverse grade refined petroleum products by tanker and barge tows on intra-coastal waterways, and on coasts of Gulf of Mexico, Caribbean, Atlantic and Pacific Oceans; operation of municipal, suburban and inter-city bus lines; college campus bus services; land and marine sight-seeing tours; sales of buses and reconditioning, salvaging and sale of bus parts.

CHROMALLOY FARM & INDUSTRIAL EQUIPMENT CO.

Manufacture and sale of various specialized agricultural implements for preparing and cultivating soil and handling crops such as haybales, discs, mulchers, manure spreaders and front-end loaders to farmers and large tractor manufacturers for use as attachments, components or accessories; animal feed systems including concrete-stave silos, silo unloaders and feed conveyors; specialized truck bodies for transporting farm and industrial equipment.

CHROMALLOY NATURAL RESOURCES CO.

Products and services to the petrochemical and marine industries, oil and gas pipeline companies and operators; heavy petrochemical equipment engineering and construction.

manufacture, installation and repair of lifting tools; manufacture of drilling and offshore rig services; repair and service of gas compressor and engine components; barge and ship repair and reconditioning; design, manufacture and installation of fire and fire control systems; general petrochemical and servicing of large, sophisticated industrial and commercial water purification systems.

CHROMALLOY CONSUMER PRODUCTS & SERVICES CO.

Manufacture and sale of: prefabricated steel utility buildings for home-own greenhouses; waterproof rubber and boots for men, women and children; specialized rubber footwear for sports wear; industrial applications; safety and fire equipment; premium quality flashlights; tel. operation and management; photographic; soft drink bottling and distribution.

CHROMALLOY TEXTILE-APPAREL CO.

Operation of retail clothing stores; manufacture and sale of men's suits and wear; textile dyeing and finishing; manufacture of woven cotton and cotton/polyester fabric; dyeing and texturizing nylon, polyester yarn; textile fabric imports; broker services for textile users.

CHROMALLOY PHARMACEUTICAL CO.

Manufacture and sale of veterinary pharmaceuticals and biologics; manufacture of human ethical and over-the-counter pharmaceuticals and sale of vitamins and health products; manufacture and sale of deodorant and sanitary products; mixing, sale of peppermint, spearmint and other essential oils.

CHROMALLOY INTERNATIONAL CORP.

(Activities outside of U. S.)

Precision metal cutting and forming machinery; precision wood and metal sanding and finishing equipment; brochures; sophisticated diffusion systems for coating proprietary turbine engine components; pair; materials conveying equipment; materials compacting and vibrating equipment for materials movement; oil and gas flow for petroleum refineries, turbines, ship propulsion systems and hydraulic fluid systems of heavy equipment.

Property: Co. has plants and offices at various locations throughout the U. S. at numerous foreign locations (for a full description see subsidiaries below).

Sales & Earnings by Product Lines

	1975	1974	1973
Metals & Metallurgy	\$166,272	\$21,470	\$166,527
Transp.-Marine	118,748	11,960	111,988
Farm & ind. equip.	94,866	8,010	202,835
Natural resources	109,671	14,274	77,705
Textiles & apparel	97,288	7,687	104,254
Building products	58,289	1,260	64,642
Consumer prod.			
services	115,556	522	124,581
Pharmaceutical	81,280	(1,226)	28,819
Venture investments		(2,858)	4,137

Total \$791,400 \$81,089 \$785,281

[B] Restated to give effect to (i) retroactive effect of Financial Accounting Standards 8 and (ii) excluding results of discontinued or sold operations.

Subsidiaries

Airport Service, Inc. and subsidiary
American Transit Corp. and subsidiary
Arrow Group Industries, Inc.
Chromalloy Canada Corp., Inc.
Chromalloy-Disc Corp.
Chromalloy International Corp. (65%)
subsidaries
Chromalloy Pharmaceutical, Inc.
Chromex, S.A. de C.V. (48%) and subsidiary
Clair Manufacturing Co., Inc.
Cardionics, S.A. (37%)
Electromould, Ltd.
Fact Service Corp. and subsidiary
F.M.S. Transportation, Inc.
Hawk Bill International, Inc.
Hawthorne Industries, Inc. (50%)
Industrial Applications International
(50%)
Industrial Blueprint Corp.
Industrial Testing Laboratories, Inc.
Ishikawajima-Chromalloy Co. Ltd. (50%)
Jetshapes, Inc. (35%)
Laidig Silo Unloaders (80%)
Loser Link Corp. (36%)
Missouri River Barge Lines, Inc.
Posadas de Puerto Rico, S.A. (51%)
Prairie Blades, Ltd.
Sabine Towing & Transportation
Scientific Associates, Inc.
The Puro Co., Inc. and subsidiary
The Valley Line Co. and subsidiary
Turbine Services (50%)
Turbochrome Ltd. (50%)
W. E. Saunders, Ltd.

PRICE RANGE—	1974	1973	1972	1971	1970
High	3%	6	10%	13%	14%
Low	1½	2¼	4	6¼	9%

CARHART PHOTO, INC.

History: Co. was organized on June 2, 1933 as successor to business started in 1914. In late 1968 acquired Webster Color Laboratories, Inc. and Urlen, Inc., Webster, N. Y. On Oct. 1, 1969 acquired Fascalor, Inc. In June 1972 acquired Spencer Photo Co. for \$163,000 and 29,636 cl. A warrants. In Sept. 1972 acquired Meadowbrook Photo, Inc. for 23,000 com. shs. and formed C.P.I. Enterprises, Inc., subsidiary. On July 12, 1974, acquired California Flower Farms, Inc.

Business: Co. is engaged in the photo finishing business which includes developing, printing and processing of color and black and white, movie and still film. Co. also distributes cameras, film, flash bulbs and other photographic supplies for retail sale thru its 15 stores located in upstate New York market area.

Co. also engaged in cultivation and sale of fresh cut and dried flowers.

Property: Co. owns 28,000 sq. ft. of space in Rochester, N. Y.; 12,000 sq. ft. of space in Syracuse, N. Y.; 14,000 sq. ft. of space in Indianapolis, Ind.; and leases 14,400 sq. ft. of space in Buffalo, N. Y.

Subsidiaries (wholly-owned): Pix & Flix, Inc.; Spencer Photo Co.; Meadowbrook Photo, Inc.; C.J.V. Corp.; C.P.I. Enterprises, Inc.

Officers

H. D. Carhart, Jr. Chmn.
O. K. Carhart, Pres.
S. V. Pflum, Vice-Pres. & Sec.
Jerry Slavin, Treas.
J. L. Lewis, Asst. Treas. & Asst. Sec.

Directors

H. D. Carhart, Jr. R. L. Altier
O. K. Carhart H. J. Mossien
R. B. Secrest R. A. Ely
Auditors: Arthur Andersen & Co.
General Counsel: Wisner, Shaw, Freeman, Van Graafeland, Harter & Secrest.

No. of Employees: Dec. 31, 1973, 480.
Executive Office: 105 College Ave., Rochester, N. Y. 14607.

Consolidated Income Account, yrs. ended	9/28/74	9/29/73	9/30/72
(\$000 omitted):			
Net sales	10,622	9,558	7,592
Cost & exp.	10,246	8,826	7,059
OTH. deduct., net	cr463	114	65
Income taxes	312	247	205
Net income	526	371	263
Earn. com. & A sh.	\$0.96	\$0.70	\$0.49
Yr. end com. & A sh.	588,020	533,020	532,620

¶Incl. Spencer Photo from acq. date, Feb. 1, 1972. ¶Incl. California Flower Farms, Inc. from July 12, 1974, date of acq. ¶As reported on aver. shs.

Consolidated Balance Sheet (\$000 omitted):	9/28/74	9/29/73	9/30/72
Assets:			
Cash	402	346	519
Cert. of dep.	200	—	—
Receiv., net	1,280	922	835
Inventories	1,291	1,223	781
Prepay.	48	57	72

Total current	3,222	2,548	2,209
Net prop., etc.	2,462	2,902	2,398
Notes rec.	438	—	—
Other assets	467	366	505
Exc. acq. cost	271	102	104
Def. chgs., etc.	27	69	84

Total	6,889	5,987	5,301
Liabilities:			
Notes, etc., pay.	480	164	373
Accts. payable	680	747	688
Accruals	255	238	223
Def. inc. taxes	241	—	—
Def. rev.	81	—	—
Income taxes	139	152	104

Total current	1,879	1,301	1,389
Lg. tm. debt	1,448	1,912	1,606
Def. rev.	28	—	—
Def. inc. taxes	175	163	66
Cl. A stk. (\$0.10)	40	35	35
Com. stk. (\$0.10)	18	18	18
Capital surplus	1,195	980	979
Retain. earn.	2,104	1,577	1,206

Total	6,889	5,987	5,301
Net curr. assets	1,343	1,247	819
Net tang. com.	—	—	—
& A sh.	\$5.25	\$4.72	\$4.01
¶Deprec.	1,347	1,385	1,128
¶Lower cost (fifo) or mkt.	—	—	—

Long-Term Debt: Outstanding Sept. 28, 1974, \$1,488,379 comprised of:

- (1) \$300,000 revolving credit loan at ½% over prime due Dec. 31, 1974.
- (2) \$102,000 Note 1% over prime due in quarterly installments of \$3,500 plus interest through Aug. 10, 1977.
- (3) \$163,000 8% note due in five annual installments beginning Feb. 1, 1977.
- (4) \$210,996 4% note payable due to May, 1978.

(5) \$203,143 bank notes payable at prime rate.

(6) \$139,051 capitalized lease obligations.

(7) \$370,189 other long-term notes.

Revolving credit loan matures Dec. 31, 1974. At that time, any outstanding balance will be converted to a term loan payable in twenty equal quarterly installments commencing on or before Mar. 31, 1975. This term loan will bear interest at prime rate plus 1%.

Agreement pertaining to revolving credit loan contains various restrictive covenants, including (1) minimum working capital of \$900,000 at all times, (2) minimum net worth of \$1,600,000 at all times, and (3) that the notes are collateralized by a security agreement on substantially all machinery and equipment.

Notes payable to bank represent borrowings of a subsidiary under a line of credit in the amount of \$340,000. Borrowings of up to \$300,000 are guaranteed personally by president of subsidiary and are secured by crops and certain equipment. Maximum amount of borrowings outstanding under this loan at any month-end during year was \$302,647 and approximate average borrowings outstanding during year was \$220,000. The approximate weighted average interest rate for the year ended Sept. 28, 1974 was 10.7%.

Capital Stock: 1. Carhart Photo, Inc., class A stock; par \$0.10:

Auth., 750,000 shs.; outstg. Sept. 28, 1974, 408,020 shares; in treasury, 15,000 shares; reserved for options, 25,000 shares; reserved for warrants 29,636 shs.; par \$0.10.

Dividend Rights: No dividends may be paid on common unless and until dividends of \$2 per share have been paid that year on class A thereafter common and class A share equally. Rights are not cumulative.

Dividends (payments since 1968 follow): 1967-68, 10 cents cash and 3% in stock; 1969, 0.7½ cents, none thereafter.

Has one vote for every 4 shs. held. No preemptive rights. Shares equally with common in any liquidation.

Transfer & Dividend Disbursing Agent: Lincoln First Bank, Rochester, N. Y.

Registrar: Security Trust Co., Rochester, N. Y.

Traded: OTC.

Price Range:	1974	1973	1972	1971	1970
High	1½	3¼	3%	2¼	1%
Low	4	8	8	5	6¼

2. Carhart Photo, Inc., common; par \$0.10: Auth., 250,000 shs.; outstg., Sept. 28, 1974, 180,000 shs.; par \$0.10.

Dividend Rights: See class A stock (No. 1) above.

Convertible: Convertible into class A at any time on a share-for-share basis.

Has one vote per sh. No preemptive rights. Shares equally with class A in any liquidation.

Transfer Agent & Registrar: Same as for cl. A stock.

Warrants: Outstg. Sept. 28, 1974, warrants to purchase 29,636 Cl. A. com. shs. at \$5.50 per sh. expire to Feb. 1, 1977.

CHROMALLOY AMERICAN CORP.

History: Incorporated in Delaware, Aug. 26, 1968 as successor to co. originally incorporated in New York May 3, 1951 as Chromalloy Corp. of New York; name changed to Chromalloy Corp. Oct. 4, 1955; present name adopted Mar. 1, 1966.

From 1957 to present, Co. has acquired a number of companies, principally through issuance of shares of its common stock. For details of these acquisitions, see Moody's 1973 Industrial Manual.

In June 1974, thru subsidiary acquired Arlon B. V. of Arnhem, Netherlands.

In July 1974, formed sub-division, Delta Shipyard Division, which will operate as division of Natural Resources Group.

Proposed Joint Venture: In Jan. 1975, Co. and Materials Research Corp. agreed in principle to establish and operate a new French manufacturing corporation, located in Toulouse, France, to purify and fabricate high purity metals for use in manufacture of electronic devices and telecommunication equipment. These specialty products will be marketed throughout Europe. Implementation is subject to approval of both boards of directors and French government and, if approved, to execution of formal documents.

Business: Principal products and services of each line of Co.'s business are as follows:

CHROMALLOY BUILDING PRODUCTS CO.

Fabrication and installation of glass; glass tempering and lamination; fabrication of glass/aluminum architectural units; distribution of glass pipe and fittings; manufacture of mirrors; manufacture of insulated glass window components; general housing materials and lumber sales; prefabricated lumber building components and millwork.

CHROMALLOY METAL TECTONICS CO.

Sophisticated diffusion coating systems; repair and modification of gas-turbine engine parts for aircraft, marine and electric utility industries; specialized airfoil castings; machineable and hardenable carbides for tools and dies.

minum and steel for appliances buildings; grey, ductile and malleable castings of all weights; aluminum manufacture of radiator cores (heaters) for vehicles and large station lations; electrical and electronic heavy and light metal stampings motive, household appliances and applications.

CHROMALLOY TRANSPORT-MA

Barge transportation of regulated commodities on inland waterways; tation of diverse grade refined products by tanker and barge to coastal waterways, and on coasts (Mexico, Caribbean, Atlantic and Oceans; operation of municipal, and inter-city bus lines; college services; land and marine sight-see sales of buses.

CHROMALLOY FARM & INDUS EQUIPMENT CO.

Manufacture and sale of various agricultural implements for preps cultivating soil and handling crops; haybales, discs, mulchers, manure and front-end loaders to farmers; tractor manufacturers for use as ments, components or accessories feed systems including concrete-silo unloaders and feed conveyors; specialized truck bodies for transport and industrial equipment.

CHROMALLOY NATURAL RESOUR

Products and services to the petro and marine industries, oil and gas companies and operators; heavy peical equipment engineering and cons manufacture, installation and repair ling tools; manufacture of drilling offshore rig services; repair and ser gas compressor and engine com barge and ship repair and recon design, manufacture and installation, and fire control systems; general pe industry retail supply stores; design facture and servicing of large, sophi industrial and commercial water pur systems.

CHROMALLOY CONSUMER PROD & SERVICES CO.

Manufacture and sale of: prefab steel utility buildings for home-greenhouses; waterproof rubber an boots for men, women and children; ized rubber footwear for sports we industrial applications; safety and equipment; premium quality flashlig tel operation and management; photography and related supporting se

CHROMALLOY TEXTILE-APPAREL

Operation of retail clothing stores; facture and sale of men's suits and wear; textile dyeing and finishing; facture of woven cotton and cotton/p fabric; dyeing and texturizing nyl polyester yarn; textile fabric im broker services for textile users.

CHROMALLOY PHARMACEUTICAL

Manufacture and sale of veterinar maceuticals and biologics; manufac human ethical and over-the-counter manufacture and sale of vitamins an health products; manufacture and deodorant and sanitary products; m sale of peppermint, spearmint and of sential oils.

CHROMALLOY INTERNATIONAL

(Activities outside of U.S.)

Precision metal cutting and forming machinery; precision wood and metal and finishing equipment; brochures; cated diffusion systems for coating proprietary turbine engine components; materials conveying equipment materials compacting and vibrating equ for materials movement; drug manuf and distributing; oil and gas filters for leum refineries, turbines, ship pro systems and hydraulic fluid systems & equipment.

Property: Co. has plants and various locations throughout the U at numerous foreign locations (for description see subsidiaries below).

Sales & Earnings by Product Line ended Dec. 31 (in 000):

	1974	1973	1972
Sales			
Metal Tectonics	\$166,738	\$23,939	\$136,100
Transp.—Marine	111,988	16,177	98,168
Farm & ind. equip.	102,773	11,337	79,808
Natural resources	77,768	9,014	43,358
Textiles & apparel	104,316	3,130	103,358
Building products	64,875	2,675	65,575
Consumer prod.	—	—	—
services	124,440	2,174	110,260
Pharmaceutical	28,898	1,213	25,313
Venture investments	4,736	dr1,759	—

Total \$788,680 \$67,000 \$668,800

¶Restated to give effect to (i) re effect of Financial Accounting Stand excluding results of discontinued operations and (ii) to reclassify opera basic constant

Subsidiaries

Chromalloy Metal Technicon Co., San Antonio, Tex.
Chromalloy Transport-Marine Co., St. Louis, Mo.
Chromalloy Farm & Industrial Equipment Co., Harvard, Ill.
Chromalloy Natural Resources Co., Houma, La.
Chromalloy Textile Apparel Co., Englewood, Colo.
Chromalloy Building Products Co., King of Prussia, Pa.
Chromalloy Consumer Products Co., Pompton Plains, N. J.
Chromalloy Consumer Services Co., St. Louis, Mo.
Chromalloy Pharmaceutical Co., Los Angeles, Cal.

Officers

Joseph Friedman, Chmn. & Chief Exec. Officer
Vice-Chairmen
P. Nykiel W. J. Barta
P. Seelig E. H. Newman
A. Shepard, Pres. & Chief Oper. Off.
J. Ducey, Exec. Vice-Pres. & Treas.
L. McGavock, Exec. Vice-Pres. & Contr.
S. Walch, Exec. Vice-Pres. & Gen. Counsel
Executive Vice-Presidents
J. Giacomini R. L. Wachtell
J. De Mayo Herbert Zlotnick
Sney Traurig

Directors

C. Loveless L. J. Manning
B. Goldfarb
B. Roberts, Sec. & Assoc. Gen. Counsel

General Counsel: W. S. Walch.
Auditors: Peat, Marwick, Mitchell & Co.
No. of Stockholders: Dec. 31, 1974; pref., 144; common, 17,519.
No. of Employees: Dec. 31, 1974, approx. 1,000.
Principal Office: 120 S. Central Ave., Chromalloy Plaza Bldg., Clayton, Mo. 63105.
Executive Office: 641 Lexington Ave., New York, N. Y. 10022.

Consolidated Income Account, years ended Dec. 31 (\$000 omitted):

	1974	1973
Sales & revs.	789,042	674,821
Other income	7,935	6,813
Total	796,977	681,634
Cost of sales	565,931	481,711
Sell. etc., exp.	134,467	114,626
Depreciation	21,790	20,393
Interest	22,409	16,546
Other deduct.	3,978	2,625
Income taxes	22,361	20,478
Net income	26,040	25,253
Prev. ret. earn.	120,006	104,145
Prof. divs.	2,805	2,806
Com. divs.	7,058	6,534
Retained earn.	136,236	120,060
Earn., com. sh.	\$2.31	\$2.22
E. end com. sh.	10,066,081	10,021,398
As reported on aver. shs.	\$2.13 (1973, \$2.66) fully diluted. (Incl. 2 cos. acq. during 1974. \$19,000,000 not restricted.	

Consolidated Balance Sheet, as of Dec. 31 (\$000 omitted):

	1974	1973
Assets:		
Cash	16,379	18,123
Receiv., net	110,033	95,422
Inventories	156,459	122,360
Prepay., etc.	6,574	6,789
Total curr.	289,446	242,693
Net prop., etc.	227,434	218,405
Investments	8,291	7,295
Non-curr. rec.	5,708	5,089
Excess acq. cost	15,353	15,646
Def. charges	3,619	3,864
Total	549,853	492,993
Liabilities:		
Notes, etc. pay.	42,647	22,175
Accts. payable	61,982	48,395
Income taxes	12,213	8,481
Accruals	29,037	24,925
Inv. payable	2,472	2,461
Total curr.	148,355	106,438
Long-term debt	196,489	196,150
Def. inv. tax	10,602	11,942
Def. def. liab.	204	480
Minority int.	4,643	4,756
Unid. stk. int.	3,082	2,798
Unid. stk. (\$1)	561	561
Capital surp.	10,748	10,748
Retained earn.	41,804	42,925
Unid. equity	136,236	120,060
Total	492,993	492,993

Capital Stock: 1. Chromalloy American Corp. \$5 cumulative convertible preferred, series A; par \$1.
AUTH.—All series: 1,825,000 shs.; outstanding, Dec. 31, 1974, 561,164 shs.; par \$1.
PREFERENCES—Has preference for assets and divs.
DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.
LIQUIDATION RIGHTS—In liquidation, entitled to \$41.62 a sh. if involuntary; if voluntary, redemption price plus divs.
VOTING RIGHTS—Has 1 vote per sh.
CALLABLE—As a whole after Aug. 1, 1973, to each June 30, incl., as follows:

	1974	1973	1972	1971	1970
1974	105	1877	104	1980	103
1983	102	1886	101		100

Long Term Debt: Outstg., Dec. 31, 1974, \$144,080,369 comprised of:

- (1) \$13,506,558 mortgage notes payable and equipment obligations due in varying amounts to 1993.
- (2) \$10,573,311 other notes due to 1993.
- (3) \$120,000,000 8.4% unsecured insurance company loan payable \$5,000,000 annually 1977-80 and \$7,000,000 annually to 1994.

The various loan agreements contain covenants which provide, among other things, for limitations on additional indebtedness, cash dividends, including transactions in the Company's own stock, and cash acquisitions of other businesses and for maintenance of minimum working capital and a specified ratio of liabilities to net worth. Under the most restrictive of the various covenants, the unrestricted portion of consolidated retained earnings at Dec. 31, 1974, amounted to \$19,000,000. Property and equipment having a net carrying value of approximately \$108,155,000 at Dec. 31, 1974, is pledged as collateral under various of the debt agreements.

1. Subsidiary Debt: Sabine Towing & Transportation Co., Inc. U. S. Govt. Ins. Merch. Mar. 7.20s, Colorado Ser., 1987:
AUTH.—\$5,400,000; outstg., Dec. 31, 1974, \$4,673,000.
DATED—May 24, 1972. DUE—May 1, 1987.
INTEREST—Due M&N 1 at office of trustee.
TRUSTEE—Houston (Tex.) National Bank.
DENOMINATION—Fully registered, multiples of \$1,000.
CALLABLE—As a whole or in part beginning May 1, 1977 on at least 20 days' notice to each Apr. 30, as follows:

	1974	1973	1972	1971	1970
1974	104.65	1979	104.14	1980	103.63
1981	103.12	1982	102.61	1983	102.10
1984	101.59	1985	101.08	1986	100.57

thereafter, 100. Not callable, however, prior to May 1, 1982, thru refunding at effective interest cost less than 7.20%. Also callable for sinking fund (which see) at 100.
SINKING FUND—Annually each May 1, 1973-86, cash (or bonds) to retire \$367,000 bonds. Sinking fund calculated to retire 93.3% of issue prior to maturity.
GUARANTEE—Principal and interest insured by United States under Title XI of Merchant Marine Act, 1936, as amended.
SECURITY—In addition to Title XI insurance, bonds will be secured by mtge. on vessel which will constitute 1st pfd. ship mtge. under Ship Mortgage Act, 1920, as amended. Also, bonds will be secured by an assignment of charter party with respect to vessel and of rights of Co. under contract relating to reconstruction of vessel.
RIGHTS ON DEFAULT—Trustee, or majority of bonds outstg., may declare principal due and payable.
INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of at least 60% of outstg. bonds.
PURPOSE—Proceeds to assist in financing reconstruction of steel steam turbine (electric bulk of tanker named "Colorado") at 100 plus accrued interest on May 17, 1972 thru Merrill Lynch, Pierce, Fenner & Smith, Inc. and associates.

2. Other Subsidiary Debt: Outstanding Dec. 31, 1974, \$62,049,317 comprised of:

- (1) \$29,577,716 5 3/4% to 9% first preferred ship mortgages, due in varying amounts to 1988.
- (2) \$14,590,085 mortgage notes payable and equipment obligations due in varying amounts to 1982.
- (3) \$8,946,089 7 3/4% above prime rate unsecured bank loans due thru 1977.
- (4) \$4,118,481 other debt.
- (5) \$3,459,946 mtge. notes payable thru 1981.
- (6) \$1,357,000 7.35% United States Government insured Merchant Marine Bonds, due through 1991.

Capital Stock: 1. Chromalloy American Corp. \$5 cumulative convertible preferred, series A; par \$1.
AUTH.—All series: 1,825,000 shs.; outstanding, Dec. 31, 1974, 561,164 shs.; par \$1.
PREFERENCES—Has preference for assets and divs.
DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.
LIQUIDATION RIGHTS—In liquidation, entitled to \$41.62 a sh. if involuntary; if voluntary, redemption price plus divs.
VOTING RIGHTS—Has 1 vote per sh.
CALLABLE—As a whole after Aug. 1, 1973, to each June 30, incl., as follows:

	1974	1973	1972	1971	1970
1974	105	1877	104	1980	103
1983	102	1886	101		100

Convertible—Into com. at rate of 3.888 com. shs. per pfd. sh.
TRANSFER AGENTS—Irving Trust Co., NYC; Mercantile Trust Co., N.A., St. Louis, Mo.
REGISTRARS—Irving Trust Co., NYC; St. Louis Union Trust Co.
LISTED—On NYSE (Symbol: CRO Pr).
PRICE RANGE—1974 1973 1972 1971 1970
High 64 1/4 85 100 102 114
Low 46 1/4 58 78 79 67 1/2

2. Chromalloy American Corp. common, par \$1:
Authorized 20,000,000 shares; outstanding, Dec. 31, 1974, 10,066,081 shares; in treasury, 682,381 shares; reserved for options, 308,392 shares; par \$1.
Ten cent par shares split 3-for-2 Sept. 15, 1967; par changed from \$0.10 to \$1 by 3-for-2 split Nov. 20, 1968.
Has sole voting power, with one vote per share. No preemptive rights.
Dividends (since 1961):

	1961	1962-63	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
After 3-for-2 split:	\$0.40	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50

PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.

PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.

PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.
PAID—\$0.40 1961, 1962-63, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974.

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PAID—\$0.40

DIVIDEND RESTRICTIONS — See Term

Loans, above.

DIVIDENDS—(Calendar years):

1950	0.15	1951	0.02 1/2	1952	0.20
1953	0.10	1954-55	0.05	1956	0.10
1957	0.20	1958	0.25	1959-60	0.30
1961	0.40	1962-64	0.50	1965	0.50

On \$1 par shares after 100% stk. div.:

1955-71 0.30 1972- 0.15

On \$1 par shares after 100% stk. div.:

1972- 0.10

Stock dividends paid: 1950, 2%; 1951, 1%;

1955, 100%; June 27, 1972, 100%.

To Sept. 1.

TRANSFER AGENT—United States Corpora-

tion Co., Jersey City and New York and Con-

tinental Illinois National Bank & Trust Co.,

Chicago.

REGISTRAR—First National City Bank, New

York.

OFFERED—(241,706 shares) at \$40.50 a share

on Nov. 10, 1971 by Lehman Bros. Inc. and

associates.

LISTED—On NYSE (Symbol: CNC); also

listed on Pacific Coast Stock Exchange. Un-

listed trading on Philadelphia-Baltimore-

Washington Stock Exchange.

PRICE RANGE—1971 1970 1969 1968 1967

High 51 1/2 48 1/2 64 1/2 60 3/4 62

Low 33 16 1/2 32 41 1/4 35 1/4

Warrants: Outstanding, Apr. 30, 1971 war-

rants to purchase 2,492 common shares at \$35

a share expire Apr. 1, 1977.

Subscription Rights: Stockholders of record

Apr. 24, 1970, had right to subscribe to 398,923

common shares of Cenco Hospital & Con-

valescent Homes Corp. at \$5.50 a share at

rate of one share for each 10 Company shares

held. Rights expired May 20, 1970.

CHROMALLOY AMERICAN CORP.

History: Incorporated in Delaware, Aug. 26,

1968 as successor to co. originally incorporat-

ed in New York May 3, 1951 as Chromalloy

Corp. of New York; name changed to Chro-

malloy Corp. Oct. 4, 1965; present name

adopted Mar. 1, 1966.

In 1957, acquired Elyria Foundry Co., Ely-

ria, O.; in 1958, acquired and merged Propel-

lex Chemical Corp., Edwardsville, Ill.; in 1959,

acquired Sintercast Corp. of Yonkers, N. Y.

and Chromizing Co., Hawthorne, Calif.; in 1960,

merged Shunk Mfg. Co., Bucyrus, O.; in 1961,

acquired Jack Schultz, now Sportswear Corp.

of America, St. Louis, and Clair Mfg. Co.,

Inc., Olean, N. Y.; in 1962, acquired General

Radiators, Inc., Mount Vernon, Ill.

In 1963 acquired Arps Corp., New Holstein,

Wis. and Ardeo Finishing Co., Inc., Wells-

ville, Mo.; Sportswear Corp. of America, a

wholly-owned subsidiary acquired Bur-Mac

Corp., Athens, Ga.

In 1964, acquired a majority interest in

Clairpool (Machines) Ltd., London, Eng.

In 1965, acquired Color-Craft Products, Inc.,

Detroit, Mich. for \$1,955,000 and John J.

Linkel & Sons, Inc., Rahway, N. J.

In early 1966, acquired American Transit

Corp., St. Louis, Mo. for 265,739 common

shares.

In Jan., 1966, acquired Quality Pickling &

Processing, Inc., Detroit, and affiliate, for

cash. Companies are operated as a division,

Quality Steel Pickling & Processing Co. In

Dec., 1966, acquired ACR Electronics Corp.,

New York, from Resistance Products Co., Inc.

for 22,549 common shares. Also acquired Ohio

Falls, Inc., Louisville, Ky. for 16,000 common

shares.

In Apr. 1967 acquired Hausman Bus Sales

Inc. for 10,000 common shares. Now a sub-

sidiary of American Transit Corp.

On Jan. 13, 1967, acquired Swirls & Co.,

Los Angeles for 9,375 com. shs.

In Aug., 1967, acquired Longleaf Mills,

Matthews, N. C., and Pockman Manufactur-

ing Co., Decatur, Ala. for about \$6,000,000

of new conv. pfd. stock.

In Oct., 1967, acquired Constellation Finish-

ing Co., Dalton, Ga. for 90,000 com. shs.

In Nov., 1967, acquired Standard Foundry

Co., Worcester, Mass. for \$50,000 and up to

100,000 com. shs.

In May, 1968, acquired Crescent Forge &

Shovel Co., Havana, Ill. for 55,000 com. shs.

and Wearx Corp. for 750 com. shs.

During 1968 acquired: The Valley Line

Company, Crescent Forge and Shovel Co.;

Shepard Engineering Company and affilia-

tes; Burns Pharmaceuticals, Inc. and sub-

sidiary; Linden Laboratories, Inc.; Fact Pro-

fessional Photo Finishers, Inc. and affiliates;

Sabine Towing & Transportation Co., Inc.,

Harry Bernstein & Sons, Inc., and Corsair

Sportswear, Inc., affiliates; Fulton Manufac-

turing Company; Field Research Services,

Inc.; Leon-Ferenbach, Incorporated, and Star-

line Inc., and subsidiaries for an aggregate

of 460,805 preferred shares, 577,018 common

shares, \$6,500,000 in cash.

In Jan. 1969 acquired Marx-Haas Clothing

Co.

In Feb. 1969 acquired Missouri River Barge

Line, Inc. for 49,500 Co. common shares.

In May, 1969 acquired Federal Malleable

Co., Inc. for 41,060 common shares.

In May, 1969 acquired Brenham Cotton

Co.

In July 1969 acquired Southern Cross

Lumber & Supply Co. for 128,544 common

shs.

In Sept. 1969 acquired Delta Iron Works,

Inc. for 526,471 com. shs. plus additional

shares to be issued contingent upon earn-

ings.

In Oct. 1969, acquired M. Brown & Sons,

Inc. for 33,333 \$5 cum. conv. pfd. shs.

In Dec. 1969, merged Arrow Group In-

dustries, Haskell, N. J., and its related sales

agencies into a newly-formed Co. subsidiary

for about 350,000 com. shs. plus additional

shs. depending on Arrow's future earnings.

In Dec. 1969, acquired business and assets

of Glogau & Co., Inc., Chicago, for 14,500

com. shs. Glogau will be operated as a

separate Co. unit within its pharmaceutical

group.

In Jan. 1970, acquired Myers Carter La-

boratories, Inc., Phoenix, Ariz., for 23,636

com. shs.

In Jan. 1970, acquired all the outstanding

shares of Faro Co. and Liberty Radiator

Core Mfg. Co.

In Feb. 1970, acquired O'Fallon Lumber &

Supply, Inc.

In Feb. 1970, acquired Kane Industries, Inc.,

Del., thru merger of Kane into KMC, Inc.,

wholly-owned Co. subsidiary, for 72,971 Co.

com. shs.

In Feb. 1970, acquired assets and business

of Chicago Grayline Inc., Chicago, for 7,000

com. shs.

In Feb. 1970 acquired E. R. Schwartz Manu-

facturing Co. for 55,000 com. shs. plus ad-

ditional shares to be issued contingent upon

earnings.

In March 1970, acquired Servus Rubber

Co. for 241,667 com. shs. plus additional shs.

to be issued based on future earnings and

market level of Co. com. stock.

Co. also acquired by merger Airport Coach

Service and Airport Service, Inc. in exchange

for 67,420 com. shs.

In April 1970, acquired Alcon Metal Pro-

ducts Inc., Chicago, for 200,000 com. shs. plus

up to an additional 50,000,000 com. shs. based

on future earnings, and of K-G Men's Stores

Inc. for 65,084 com. shs. plus up to an

additional \$2,000,000 of com. shs.

In Apr. 1970 acquired Arnold & Clarke

Chemical Co., Inc. for 42,000 com. shs. plus

additional shares to be issued based on

future earnings.

In July 1970 acquired Progress Foundries,

Inc.

On Oct. 23, 1970 acquired Ronti de Mexico,

D. F.

In Jan. 1971 acquired Fellows Medical

Manufacturing Co., Inc., Oak Park, Minn.

for 14,940 \$5 cum. conv. preferred shs.

On Apr. 22, 1971 acquired Webster Sports-

wear Co., Louisville, Ky.

On Apr. 23, 1971 acquired W. E. Saunders,

Ltd., London Ontario Canada.

On May 14, 1971 acquired Battery Corp. of

America.

On May 21, 1971 acquired International

Rent-a-Car, Miami, Fla.

On June 1, 1971 acquired Water Treatment

Corp., City of Industry, Cal.

On June 8, 1971 acquired Superior Pants

Co. New York, N. Y.

On July 27, 1971, acquired David Freeman

& Son, Inc., Chicago, Ill.

On Aug. 9, 1971 Venanzetti, Vibrazioni S.p.A.

Milano, Italy.

On Aug. 31, 1971 acquired Burns Leasing

Co., St. Louis.

On Sept. 30, 1971 acquired Albe S. A., Agno

Lugano, Switzerland and Cooper Drug Co.,

Detroit, Mich.

On Oct. 12, 1971 acquired Custom Machine

& Engineering Co. Dallas, Texas.

On Dec. 27, 1971 merged Woolley Tool &

Mfg., Inc. for 112,915 com. shs.

In Apr., 1972, acquired Biotech Laboratories,

Inc., Lenexa, Kans., for 45,000 com. shs.

Business: See Subsidiaries & Divisions be-

low.

Property: See Subsidiaries & Divisions be-

low.

Subsidiaries & Divisions

Name & Location

Nature of Business

CONSUMER PRODUCTS & SERVICES

Products & Services

ACR Electronics Div., Carle Place, N. Y.

Survival equipment

Arrow Group Industries, Inc., New York, N. Y.

Prefabricated steel storage buildings and shelving

Chromalloy-Aurora, Aurora, Mo.

Modern furniture

Dad's-Clicknot Bottling Co., Ottumwa, Ia.

Dad's Root Beer and other soft drinks

Fact Professional Photo Finishers, Inc., St. Louis, Mo.

Nationwide portrait photography services

Industrial Blueprint Corp., El Segundo, Calif.

Blueprint services

Puro Co., St. Louis, Mo.

Household and institutional sanitary chemicals

Apparel

Corsair Sportswear, Inc., New York, N. Y.

Men's sportswear, raincoats and outerwear

K-G Retail, Inc., Denver Colorado

Retailing of men's and women's apparel

Marx-Haas Clothing Co., Inc., St. Louis, Mo.

Men's suits, sport coats, slacks and all-weather coats

Servus Rubber Co., Rock Island, Ill.

Vinyl and rubber footwear

Superior Pants Co., New York, N. Y.

Men's slacks and sportswear

Webster Sportswear Co., Inc., Louisville, Ky.

Men's outerwear

PHARMACEUTICALS & HEALTH SERVICES

M. Brown & Sons, Inc., Bremen, Ind.

Peppermint, spearmint and other essential oils

Burns Pharmaceuticals, Inc., Oakland, Calif.

Animal health, drug and biological specialties

Cooper Drug Co., Detroit, Mich.

Drugs, pharmaceuticals, vitamins, anti-biotics and

biologics

Cro-Med Bionics Corp., New York, N. Y.

COMPU-GRAM computerized electrocardiogram analy-

sis system

Fellows Medical Co., Inc., Detroit, Mich.

Ethical drug products

Glogau & Co., Inc., Melrose Park, Ill.

Injectable freeze dried pharmaceuticals and drugs

Linden Laboratories, Inc., Culver City, Calif.

Drugs, pharmaceuticals, vitamins and veterinary prod-

ucts

Myers-Carter Laboratories, Inc., Glendale, Ariz.

Sterile injectable pharmaceuticals and medicines

W. E. Saunders, Ltd., London, Ont., Can.

Veterinary pharmaceuticals and biologics

Scientific Associates, Inc., St. Louis, Mo.

Medical and chemical laboratory services

TEXTILE PRODUCTS & PROCESSING

Ardeo Finishing Div., Wellsville, Mo.

Burlap textile dyeing and finishing

Brentex Mills, Inc., Brenham, Texas

Cotton and cotton blend fabrics

Constellation Canada Co., Belleville, Ont. Can.

Broadloom carpet dyeing, printing and finishing

Constellation Finishing Co., Inc., Dalton, Ga.

Broadloom carpet dyeing, printing and finishing

Leon-Ferenbach, Inc., New York, N. Y.

Synthetic filament yarn

Longleaf Mills, Inc., Matthews, N. C.

Synthetic yarns

Ohio Falls, Inc., Louisville, Ky.

Dyeing and processing cotton textiles

Swirls & Co., Los Angeles, Calif.

Textile finishing and mill products sales

BUILDING PRODUCTS & SERVICES

Aldora Aluminum Products, Inc., Atlanta, Ga.

Aluminum and glass building products

Architectural Glass Prod., Inc., Miami, Fla.

Glass and glass specialty products

Broadloom-Speedbinder, Inc., N. Y., N. Y.

Carpet installation equipment

O'

Federal Malleable Co., West Allis, Wisc.
Malleable Iron Castings
Jetshape, Inc., Rockleigh, N. J.
Specialized airfo casting
Progress Foundries, Inc., St. Paul, Minn.
Aluminum castings
Sintercast Division, W. Nyack, N. Y.
Ferrotic machineable carbides, nuclear materials
Standard Foundry Co., Inc., Worcester, Mass.
Engineered iron alloy castings
Metallurgical Services
Chromalloy Research & Technology Div., Orangeburg, N. Y.
Diffusion coatings, reconditioning turbine engine components
Chromalloy Division—Okla., Midwest City, Okla.
Diffusion coatings, reconditioning turbine engine components
Chromizing Co., Gardena, Calif.
Diffusion coatings, reconditioning turbine engine components
Custom Machine & Engineering Co., Dallas, Tex.
Sophisticated tool and die manufacturing
Field Research Services, New York, N. Y.
Metallurgical sales and marketing services
Precast Metals, Inc., St. Louis, Mo.
Decorative finishing of coiled aluminum and steel
Chromalloy Precast Div., St. Louis, Mo.
Low pressure aluminum casting machinery
Turbine Power Div., San Antonio, Tex.
Customized coatings, jet engine component reconditioning

INDUSTRIAL & AGRICULTURAL EQUIPMENT & COMPONENTS

Alcon Metal Products, Inc., Chicago, Ill.
Diverse electrical and electronic connectors
Arps Corp., New Holstein, Wisc.
Agricultural, construction and road maintenance equipment
Battery Corp. of America, Hollywood, Fla.
Dry cell batteries
Clair Mfg. Co., Inc., Olean, N. Y.
Industrial surface finishing equipment
Crescent Forge & Shovel Co., Inc., Havana, Ill.
Farm implements
Fulton Manufacturing Co., Wauseon, Ohio
Lighting devices and metal products
General Radiator, Inc., Mt. Vernon, Ill.
Vehicular radiators and heat exchangers
Hawk Bilt Corp., Vinton, Ia.
Agricultural and farm equipment
Liberty Radiator Core Mfg. Co., San Francisco, Calif.
Vehicular radiator cores
Laser Link Corp., Woodbury, N. Y.
CATV and communications transmission systems
McCormack Blades Ltd., Whitby, Ont., Can.
Grader and snow plow blades
Pockman Mfg. Co., Inc., Decatur, Ala.
Egg production and fish farming equipment
Propellex Division, Edwardsville, Ill.
Cartridge activated devices
Schwartz Mfg. Co., Lester Prairie, Minn.
Industrial, agricultural and farm equipment
Shunk Mfg. Co., Inc., Bucyrus, O.
Heavy and light metal fabrication
Starline, Inc., Harvard, Ill.
Agricultural and farm equipment
FOREIGN OPERATIONS
Albe, S. A. Lugano, Switzerland
Precision machinery
Hostaria dell'Orso & Hello Cabala, Rome, Italy
Elegant restaurant and resort
Venezetti Vabrazioni, Milan, Italy
Materials handling equipment
80% owned
50% owned
Affiliate Co. (see Moody's Industrial Manual).

Officers

Joseph Friedman, Chmn. & Chief Exec. Officer

Vice-Chairmen

F. P. Nykiel W. J. Barta
R. P. Seelig
I. A. Shepard, President

Executive Vice-Presidents

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H. C. Burns R. J. Gollmar
S. G. Burritt E. H. Newman
A. J. de Mayo D. W. Rhea
W. J. Donnelly Sidney Traurig
Carl Ferenbach R. L. Wachtell
D. J. Giacomini Herbert Zlotnick
P. J. Giacomini

Vice-Presidents

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M. R. Commandy H. C. Loveless
D. H. Cooksey L. J. Manning
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Martin Epner D. H. Rush
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J. R. Kane J. H. Vogelmann
Harold Kapelovitz R. C. Werner
W. S. Walch, Vice-Pres., Sec. & Gen. Counsel
P. S. Ducey, Vice-Pres. & Treas.
W. L. McGavock, Vice-Pres. & Contr.

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A. James de Mayo F. Van S. Parr
Carl Ferenbach Richard P. Seelig
Joseph Friedman Irving A. Shepard
Dominick J. Giacomini Craig Stevenson
Peter J. Giacomini Sidney Traurig
Malcolm E. Henning Richard L. Wachtell
Harry H. Kessler W. S. Walsh
E. H. Newman

General Counsel: W. S. Walsh.

Auditors: Peat, Marwick, Mitchell & Co.

No. of Stockholders: Dec. 31, 1970, pref., 2,581; common, 11,180.

No. of Employees: Dec. 31, 1970, approx. 18,000.

Office: 120 Broadway, New York, N. Y. 10005.

Consolidated Income Account, years ended

	1971	1970
Net sales & revs.	\$453,433,146	\$413,130,013
Other income	3,253,021	4,633,441
Total	456,686,167	417,763,454
Cost of sales	329,184,516	302,947,039
Selling, etc., exp.	72,489,350	65,279,744
Depreciation	15,038,220	14,307,572
Interest	9,557,741	9,713,207
Oth. deductions	1,821,994	1,287,929
Fed. inc. tax	11,691,949	10,342,299
Net income	16,922,397	13,855,664
Prev. ret. earn.	89,893,194	82,216,816
Preferred divs.	3,464,391	2,700,351
Common divs.	5,817,056	3,521,132
Pooled cos. divs.		22,600
Poll. int. adj.	dr35,779	cr34,797
Retained earnings	\$197,498,365	89,893,194
Earn., com. sh.	\$1.61	\$1.27
No. of com. shares	8,958,823	8,489,453

\$14,000,000 not restricted. Reduced by \$1,351,000 (1970, \$427,300) due to invest. tax credit. As reported on aver. shs.; \$1.48 (1970, \$1.23) fully diluted. Incl. 7 cos. from dates of acq. in 1971.

Earnings, years to Dec. 31 (in thousand dollars):

	Net Sales	Net Income	Earn. Per Sh.
1969	400,072	16,665	1.64
1968	335,597	16,812	1.77
1967	283,611	14,679	1.60

Adjusted for change in method of accounting for research and development and patent costs in 1968; applied retroactively to all prior periods.

Adjusted (a) for 3-for-2 stock splits in 1967 and 1968, and (b) to give effect to shares issued and issuable to former shareholders of acquired companies based on their earnings performance, and in some cases the market value of the Company's common stock.

Note: The above summary has been restated to give effect to including pooled companies for years prior to their affiliation.

Consolidated Balance Sheet, as of Dec. 31:

	1971	1970
Assets:		
Cash	\$14,562,465	\$21,930,781
Receivables, net	62,292,986	58,950,403
Inventories	73,687,049	66,007,000
Prepayments, etc.	5,568,318	4,077,212
Total current	\$156,090,818	\$150,965,396
Net prop., etc.	161,049,185	142,866,015
Inv. ign. subs.	6,294,975	2,812,825
Oth. invests., etc.	6,701,023	6,680,323
Exc. acq. cost	10,666,547	6,413,452
Deferred charges	5,985,930	4,717,889
Non-curr. rec.	5,096,041	6,990,045
Total	\$351,284,519	\$321,445,945
Liabilities:		
Notes, etc., pay.	\$15,405,185	\$13,690,864
Accts. payable	28,982,394	28,252,104
Fed. inc. taxes	2,603,408	2,624,342
Accruals	14,754,654	14,477,083
Dividends pay.	2,045,304	
Total current	\$63,790,945	\$59,044,393
Long term debt	131,866,324	120,318,232
Def. Fed. inc. tax	11,105,115	9,177,522
Def. inv. tax credit	855,470	1,212,002
Oth. def. liab.	2,090,879	2,234,947
\$5 pfd. stk. (\$1)	561,164	554,723
Com. stk. (\$1)	9,533,724	9,079,597
Capital surplus	36,076,668	32,391,384
Retained earnings	97,498,365	89,893,194
Stockhold. equity	143,669,921	131,918,898
Reacquired stk.	2,094,135	2,460,049
Net stkhd. eq.	141,575,786	129,458,849
Total	\$351,284,519	\$321,445,945

Net current assets \$92,299,873 \$91,921,003

Depreciation \$105,990,716 \$99,331,845

Lower cost (fifo) or mkt. \$574,901 (1970, 590,144) com. shs. at cost.

Note: Above 1970 statements restated to incl. 3 cos. acq. during 1971 as "pool. int."

Long Term Debt: Outstg., Dec. 31, 1971, \$105,119,691 comprised of:

(1) \$85,000,000 8.3% unsecured loans payable \$5,000,000 annually beginning Dec. 1, 1977 with final payment on Dec. 1, 1981.

(2) \$12,638,824 3% to 10% mortgage notes payable and equipment obligations due in varying amounts to 1992.

(3) \$7,480,767 4% to 8 1/2% other notes due to 1993.

The various loan agreements contain covenants which provide, among other things, for limitations on additional indebtedness, cash dividends, including transactions in the Company's own stock, and cash acquisitions of other businesses and for maintenance of minimum working capital and a specified ratio of liabilities to net worth. Under the most restrictive of the various covenants, the unrestricted portion of consolidated retained earnings at Dec. 31, 1971, amounted to \$14,000,000. Property and equipment having a net carrying value of approximately \$81-

446,000 at Dec. 31, 1971 is pledged as collateral under various of the debt agreements.

Subsidiary Debt: Outstg., Dec. 31, 1971, \$37,521,355 comprised of:

(1) \$25,620,862 5 1/2% to 9 1/2% first preferred ship mortgages, due in varying amounts to 1983.

(2) \$9,969,589 5 1/2% to 9 1/2% mortgage notes payable and equipment obligations due in varying amounts to 1986.

(3) \$1,930,904 other debt. Details not reported.

Capital Stock: 1. Chromalloy American Corp. \$5 cumulative convertible preferred, series A; par \$1.

AUTH.—All series: 1,825,000 shs.; this series, 621,164 shs.; outstanding, 561,164 shs.; par \$1.

PREFERENCES—Has preference for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$5 annually, payable quarterly, Feb. 1, etc.

LIQUIDATION RIGHTS—In liquidation, entitled to \$70 a sh. if involuntary; if voluntary, redemption price plus divs.

VOTING RIGHTS—Has 1 vote per sh.

CALLABLE—As a whole after Aug. 1, 1973, to each June 30, incl., as follows:

1974 105 1977 104 1980 103

1983 102 1986 101 1990 100

Beginning July 1, 1986.

CONVERTIBLE—Into com. at rate of 3.888 com. shs. per pfd. sh.

TRANSFER AGENT—Irving Trust Co., NYC.

REGISTRAR—Chemical Bank, New York.

LISTED—On NYSE (Symbol: CRO PR).

PRICE RANGE—1971 1970 1969 1968

High 102 114 168 156

Low 79 67 105 116

2. Chromalloy American Corp. common, par \$1:

Authorized 20,000,000 shares; outstanding, Dec. 31, 1971, 8,958,823 shares; in treasury, 574,901 shares; reserved for options, 285,068 shares; par \$1.

Ten cent par shares split 3-for-2 Sept. 15, 1967; par changed from \$0.10 to \$1 by 3-for-2 split Nov. 20, 1968.

Has sole voting power, with one vote per share. No preemptive rights.

Dividends (since 1961):

1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971

1961 \$0.40 1962 \$0.50 1963 \$0.50 1964 \$0.47 1965 \$0.40 1966 \$0.50 1967 \$0.47 1968 \$0.50 1969 \$0.50 1970 \$0.50 1971 \$0.50

After 3-for-2 split: 1967 0.12 1968 0.59

On \$1 par shares: 1969 0.44 1970 0.50 1971 0.53

1972 0.30

Paid stock dividends: 1961, 4%; 1964, 5%.

To May 2.

Transfer Agent: Irving Trust Co., New York; Mercantile Trust Co., N.A., St. Louis.

Registrar: Chemical Bank, New York; St. Louis Union Trust Co.

Listed: On NYSE (Symbol: CRO); unlisted trading on Philadelphia-Baltimore-Washington Stock Exchange.

Price Range: 1971 1970 1969 1968 1967

High 24 31 44 40 43

Low 14 13 22 33 29

After 3-for-2 split; before, 57%-26 1/2%.

After 3-for-2 split; before, 59 1/2%-30 1/2%.

CLARY CORP.

History: Incorporated under California laws Mar. 30, 1939, as Clary Multiplier Corp., present name adopted Apr. 4, 1955.

In 1961 acquired United Machines Co., Tex., Miller-Trojan Co., O. and Turn-A-Bore Equipment Co., Tex., new divisions.

In June, 1960, company sold adding machine and cash register division, including physical assets of Searcy, Ark. plant to Sperry Rand Corp. for \$8,134,000.

On Apr. 16, 1965, sold Graphic Arts division to Stevens Corp. for \$150,000 cash and \$1,510,000 6 1/2% subord. debts, due in 15 years.

In April 1967, sold valve and regulator operations of its military products division, to Snap Tite, Inc.

In Dec. 1968, acquired Rushin Truss & Mfg. Co., Garland, Tex., now operated as a division.

In Feb. 1969, acquired Rushmore Homes, Rapid City, S. D. and Roof Structures, Inc., Tacoma, Wash.

In May 1969 acquired Wood Tech Corp., Kirkwood, Mo.

In Dec. 1970, sold 38% interest in subsidiary, Clary Datacom Systems, Inc.

Business: Manufactures electronic equipment, aircraft and missile component products, computers, and machinery for prefabricated housing components and mobile homes.

Property: Operates plant at San Gabriel, Cal., containing 80,000 sq. ft. of floor space; also operates plants at Fort Worth, Tex., containing 72,000 sq. ft. and Arlington, Tex., 40,000 sq. ft.

Subsidiaries: Clary Roof Structures, Inc.; Rushmore Homes; Wood Tech Corp.

Officers

H. L. Clary, Chairman

S. M. Heagy, Pres. & Chief Exec. Off.

D. G. Ash, Senior Vice-Pres. & Treas.

Daniels, Jr.
Cooley, Vi.
Guerin, Se

Clary
Chilcott
Clary
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Auditors: To
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